

VOLUME XII

AUTUMN 1952

NUMBER 4

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*Public  
Administration  
Review*



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THE JOURNAL OF THE AMERICAN SOCIETY  
FOR PUBLIC ADMINISTRATION

# THE UNIVERSITY OF CHICAGO

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# Public Administration Review

THE JOURNAL OF THE AMERICAN SOCIETY FOR PUBLIC ADMINISTRATION

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The Reorganization of the Bureau of Internal Revenue . . .	John W. Snyder	221
Administrative Flexibility in the Federal Civil Service . . .	Robert Ramspeck	234
Needed Reforms in the Federal Budget System . . .	Joseph P. Harris	242
Administrative Reorganization in New Jersey . . .	Bennett M. Rich	251
Technical Assistance: The Problem of Implementation . . .	Roscoe C. Martin	258
The National War College and the Administration of Foreign Affairs . . .	John W. Masland	267
Governmental Organization and Public Policy . . .	Murray Edelman	276
Reviews of Books and Documents		
Ethics and Politics . . .	H. C. Nixon	284
<i>Morality in American Politics</i> , by George A. Graham; <i>Morality and Administration in Democratic Government</i> , by Paul H. Appleby; <i>Ethics for Policy Decisions</i> , by Wayne A. R. Leys; <i>Ethical Standards in American Public Life</i> , Clarence N. Callender and James C. Charlesworth, eds.; <i>Ethical Standards in Government</i> , Report of a Subcommittee of the Committee on Labor and Public Welfare, U. S. Senate.		
The Dynamics of Research Administration . . .	Raymond L. Randall	288
<i>Management Controls in Industrial Research Organizations</i> , by Robert N. Anthony and John S. Day; <i>Selected Operating Data for Industrial Research Laboratories</i> , by Robert N. Anthony; <i>Some Administrative Problems in Governmental Research</i> , by Clark D. Ahlberg and John C. Honey; <i>Attitudes of Scientists and Engineers about Their Government Employment</i> .		
Contemporary Topics . . .		292

Published quarterly, in February, May, August, and November, by the American Society for Public Administration, 1515 East 60th Street, Chicago 37, Illinois. Entered as second class matter February 7, 1947, at the post office at Chicago, Illinois, under the Act of March 3, 1897, with additional entry at Brattleboro, Vermont.

The contents of *Public Administration Review* are indexed in Public Affairs Information Service, International Index to Periodicals, and Index to Legal Periodicals. They are microfilmed by University Microfilms.

Subscriptions: domestic, \$6 a year; foreign, \$5 a year. No discount to agents.

Annual membership dues: sustaining members \$10 or more; members \$6; junior members (those 28 years of age or under) \$3; student members \$3. Of the amount paid for membership dues, \$2.50 is allocated to the subscription to *Public Administration Review*. Address: American Society for Public Administration, 1515 East 60th Street, Chicago 37, Illinois.

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## IN THIS NUMBER

JOHN W. SNYDER has been Secretary of the Treasury since 1946. Mr. Snyder was engaged in banking in Arkansas and Missouri, 1919-30. The more important positions he has held since 1930 are: national bank receiver, Office of the Comptroller of the Currency, 1931-36; manager, St. Louis agency, Reconstruction Finance Corporation, 1937-43; executive vice president and director, Defense Plant Corporation, 1940-44; executive vice president, First National Bank, St. Louis, Missouri, 1943-45; federal loan administrator, 1945; director of war mobilization and reconversion, 1945-46.

ROBERT RAMSPECK has been chairman, U.S. Civil Service Commission, since March, 1951. He was a member of the 71st to 79th Congresses (1929-47), representing the 5th Georgia District. He resigned in 1946 to become vice president, Air Transport Association of America. He was a member of the Civil Service Committee of the House of Representatives, 1930-45, and chairman, 1934-45.

JOSEPH P. HARRIS has been professor of political science, University of California, since 1941. He has been a member of the faculties of the Universities of Wisconsin and Washington and Northwestern University; director of research, Committee on Public Administration, Social Science Research Council, 1935-39; director of research, President's Committee on Administrative Management, 1936-38; and director of personnel and training UNRRA, 1944-45. He is the author of a number of books; his study on the advice and consent of the Senate in presidential appointments is in press.

BENNETT M. RICH has been on the faculty of Rutgers University since 1946; he is currently associate professor of political science and director, Bureau of Government Research. Government experience includes: Office of Civil Defense, summer, 1942; Office of Alien Property, 1946; Office of Military Government for Germany, summer, 1948; consultant, Governor's Committee on Civil Liberties, New Jersey, 1948; member, Governor's Committee on Local Health Administration, 1950. He was in the U.S. Army, Office of the Provost Marshal General, 1942-46. He is the author of *The Presidents and Civil Disorder* (1941).

ROSCOE C. MARTIN has been professor of political science, Syracuse University, since 1949. He was professor of political science and director, Bureau of Public Administration, University of Alabama, 1937-49; and a member of the faculty, University of Texas, 1926-37. He is currently member, U.S. National Commission for UNESCO; and member, national advisory council to director of selective service. In 1951-52, he was a member, UN public administrative mission to Brazil. He was president, American Society for Public Administration, 1949-50.

JOHN W. MASLAND has been professor of government, Dartmouth College, since 1946, and was a member of the faculty, Stanford University, 1938-46. He was in the Department of State, 1942-43; was a member of the secretariat, United Nations Conference, San Francisco, 1945; was in the government section, Supreme Command, Tokyo, 1946; and was director of studies, National War College, 1950, 1951. He is co-author of *The Governments of Foreign Powers* (rev. ed. 1950).

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H. C. NIXON is lecturer in political science and director of the University Press at Vanderbilt University. He has served as vice president of the American Political Science Association and as president of the Southern Political Science Association. His most recent connection with government service was as a member of the committee on administrative personnel for the 5th region of the U.S. Civil Service Commission. His last published work is the text, *American Federal Government* (April, 1952).

RAYMOND L. RANDALL has been examiner, U.S. Civil Service Commission, and placement and administrative officer, Office of Price Administration; was in training and personnel work as Lt. Comdr. in the U.S. Navy, 1942-46; was director of personnel, National Bureau of Standards, 1947-51; and chief, employee development, Federal Civil Defense Administration, 1951-52. He is at present chief, materials writing branch, Training and Education Office, FCDA.

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# The Reorganization of the Bureau of Internal Revenue

By JOHN W. SNYDER

*Secretary of the Treasury*

THE complete story of the reorganization of the Bureau of Internal Revenue, from the development of Reorganization Plan No. 1 of 1952 through its enactment by Congress and subsequent implementation, would easily fill the pages of this journal and a good-sized book besides. It is necessary, therefore, to limit this account to a description of how the plan was put into effect and its principal advantages to the taxpayer and the government.

As an introduction, it may be interesting to point out some of the problems facing the Bureau in recent years, and how they were met and solved. This review will illustrate that the groundwork was well laid for the present revolutionary change in the Bureau's field organization and executive structure without serious disruption of day-to-day operations.

## *Increase in Tax Burdens*

THE entire federal revenue system was subjected to an unprecedented strain as a result of World War II. Perhaps no other civilian bureau has ever been called upon to adjust so quickly to so many new responsibilities and to such a vastly increased work load as the Bureau of Internal Revenue during the period 1940 to 1946. The Bureau's collection job multiplied eight times in dollar volume, from \$5 billion to more than \$40 billion of revenues. The number of tax returns filed quadrupled, from nearly 20 million to more than 80 million.

The whole complexion of the collection problem changed almost overnight. Instead of having to deal with a relatively small number of high-income returns, the Bureau's opera-

tions had to be regeared to handle returns from millions of new taxpayers whose records were scanty and who were untrained in fulfilling tax requirements. The situation was aggravated by many new and complex taxes enacted by Congress during the war years—excise taxes, income taxes, Victory taxes, excess profits taxes—and by major changes in the methods of tax collecting, principally the withholding method. In the long run, the pay-as-you-go tax system added greatly to the convenience and effectiveness of tax paying and tax collection, but it called for drastic changes in tax collection administration. All these changes had to be made in the midst of war. Furthermore, as taxes increased, the temptation to avoid and evade the higher taxes, and the danger of tax fraud by those with war-swollen incomes, such as black market operators, also increased.

These magnified tasks had to be met with a prewar tax collection machinery neither designed nor equipped to handle them, and the job had to be done despite severe shortages of manpower and mechanical equipment.

The Bureau emerged from the war much the worse for wear, with a still gigantic job ahead. Individual tax returns were being received twice as fast as they could be handled. There was a steadily mounting backlog of returns to be checked and processed. Investigation of corporate and profits taxes had fallen nearly two years behind. Tax refunds took twelve months or more. A thorough and far-reaching revision of the whole tax collecting machinery obviously was essential to catch up with the past and to keep up with the future demands on the Bureau.

*Management Improvement Program*

**S**HORTLY after taking office, I called to Washington, in October, 1946, all key Revenue officials to plan and initiate an intensive program to overhaul, streamline, and modernize the tax collection system. This modernization of the operations of the Bureau of Internal Revenue was part of a management improvement program for the whole Treasury Department begun in the same year.<sup>1</sup>

Management skill and experience from every source were tapped—from the lower ranking Bureau employees to the most skilled management experts in the country—to solve these war-born problems of tax collection. The results of these management improvement efforts were many and varied. To mention just a few, voluntary compliance by taxpayers was increased by the simplification of tax forms and instructions. Enforcement work was aided by the installation of a scientific audit control program. Routine functions were decentralized, permitting a reduction of 750 employees in the Washington office between 1946 and 1951. Tax collection procedures were simplified by the introduction of a depository receipt system. Record-keeping was modernized by microfilming and other means, saving literally acres of storage space and filing cabinets. Tabulating and other modern office equipment was installed, and the Bureau became one of the first large-scale users of electronic computers.

The effect of this mechanization program and of simplification of operating methods was that in 1951 the Bureau had 2,128 fewer years of average employment in non-enforcement work than in 1946, and this in spite of greatly increased work loads. The Bureau also caught up on its wartime backlog and began mailing out refunds on overpayments to some 30 million taxpayers under the withholding tax within approximately a month after the March 15 closing date; the result was a saving of as much as \$3 million in a single year in interest on overpayments. These and many other improvements enabled the Bureau to handle more work at less cost and therefore to

expand its enforcement work with a resulting increase in collections, for a single year, of \$800 million in unreported and unpaid taxes—about three times the entire annual cost of operating the Bureau.

An interesting by-product of these concerted efforts toward management improvement was that Bureau and Treasury staffs undoubtedly have developed a real facility for meeting and solving new problems, a facility which is serving them well in the present reorganization. The existence of a management staff, established in 1948 in the office of the Commissioner of Internal Revenue, has also proved of great value in putting the reorganization into effect.

During this postwar period of intensive study of Bureau operations, the need for a new organizational framework was clearly recognized, not only by the Bureau itself, but by outside groups studying its problems. Needless to say, no two groups came up with the same answers to the problem, and a great deal of study went into consideration of the best features of these differing proposals before the new plan of organization finally was evolved.

In the meantime, as many organizational improvements as possible were made within the existing framework. Some of these changes were designed to provide more effective control or supervision over certain activities. As examples, a clear-cut division of responsibility was made between the two assistant commissioners, giving one supervisory authority over all technical work of the Bureau and the other supervisory authority over all operations. A Collector's Enforcement Branch was established in the Washington office of the Accounts and Collections Division to strengthen the supervision and coordination of collectors' enforcement activities. The Procedure Branch of the Alcohol and Tobacco Tax Division was reorganized and expanded to broaden its planning and control functions.

Several of the major divisions of the Bureau also underwent sweeping reorganizations. The Washington headquarters of the Appellate Staff was thoroughly reorganized to make better provisions for the direction of field operations and to eliminate routine work from the duties of management personnel as far as possible. The Washington headquarters of the In-

<sup>1</sup> See William W. Parsons, "Installing Management Improvement in the United States Treasury Department," 10 *Public Administration Review* 176-80 (Summer, 1950).

come Tax Division was also reorganized to strengthen executive direction and supervision of field operations and to improve the post-review of tax cases.

Other organizational changes were made to obtain better placement of related functions. Supervision of the estate and gift tax work was transferred from the Excise Tax Division to the Income Tax Division. Withholding tax work was transferred from the Income Tax Division to the Employment Tax Division. The supervision of offers in compromise and closing agreements was transferred from the special deputy commissioner to the head of the Appellate Staff. The tobacco tax work was transferred from the Excise Tax Division to the newly reconstituted Alcohol and Tobacco Tax Division.

All of these improvements took time—time to plan, and time to install while carrying on the heavy burdens of the Bureau. Each step taken was important in laying the foundation and building the structure for the culminating action taken by Congress in passing the President's Reorganization Plan No. 1 of 1952. Appended to this article is a complete chronology of the actions taken to improve administration in the Bureau.

#### *Enactment of Reorganization Plan No. 1*

THERE was still need for a general reorganization of the Bureau, and still one major, and seemingly insurmountable, barrier to it—the political office of the collector. Few such drastic changes gain acceptance until the need for them has been clearly demonstrated. The recent congressional investigations focused public attention on the need to establish a revenue service completely responsive to top direction and control, and produced an atmosphere which encouraged change. Also, the Reorganization Act of 1949 had provided an effective instrument for introduction of the plan.

The President accordingly introduced Reorganization Plan No. 1 of 1952 to the Congress on January 14, 1952. It received the enthusiastic support of the public, press, and many groups interested in better government. Despite the opposition which developed in the Senate, a resolution to defeat the plan was disapproved by a vote of 53 to 37. The plan

became effective on March 15, 1952, and this date, always so meaningful to millions of taxpayers, now has a new significance in the history of the Bureau.

#### *Past and Present Organization*

REORGANIZATION PLAN No. 1 is very simple. In essence, it abolishes all political offices in the Bureau below the rank of Commissioner. It furnishes the framework for a reorganization of the headquarters office in Washington by providing for the appointment under the classified civil service of the assistant commissioners and an assistant general counsel, who serves as chief counsel of the Bureau. These were all formerly political appointments. The plan furnishes the framework for the reorganization of the field service by providing for not more than twenty-five new offices and seventy suboffices, the latter replacing collectors' offices. And it permits assignment of supergrades—Grades 16 through 18—to some of the newly established positions in order to obtain and hold persons with top qualifications. The entire plan is set forth in five short paragraphs.<sup>2</sup>

These few simple paragraphs, however, make possible far-reaching changes in the century-old structure of the Bureau. The former basis of organization for most of the divisions and offices of the Bureau, with the exception of the collectors' offices, depended upon the type of tax collected—for example, the Bureau had an Income Tax Division, an Excise Tax Division, and an Employment Tax Division. The organizational structure of the Bureau formerly more nearly resembled that of a department than of a bureau, because some 200 main field offices reported to the Commissioner through seven more or less autonomous divisions at Washington. In other words, there were seven different sets of field offices. Included in the 200 main field offices were 64 offices engaged in the twofold task of collecting taxes and auditing the smaller returns; 39 audited the larger classes of returns; 14 dealt only with the fraud aspects of tax cases; 15 enforced the alcohol and tobacco taxes; and 12 were district offices of the Bureau's Appellate Staff. Over 2,000 subordinate offices and

<sup>2</sup>See 12 *Public Administration Review* 9 for full text of the plan.

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graph TD
    ST[SECRETARY OF THE TREASURY  
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UNDER SECRETARY] --- GC[General Counsel  
for the Treasury]
    ST --- COM[COMMISSIONER]
    COM --- CC[CHIEF COUNSEL  
ADMINISTRATION  
CLAIMS  
ENFORCEMENT  
LITIGATION  
TECHNICAL]
    COM --- AC1[ASSISTANT COMMISSIONER  
(TECHNICAL)  
OFFICE OF INTERNATIONAL  
TAX RELATIONS  
TECHNICAL PLANNING  
TECHNICAL RULINGS  
SPECIAL TECHNICAL SERVICES]
    COM --- AC2[ASSISTANT COMMISSIONER  
(OPERATIONS)  
FIELD MANAGEMENT AND  
PLANNING  
COLLECTIONS  
AUDIT  
INTELLIGENCE  
ALCOHOL AND TOBACCO TAX  
APPELLATE]
    COM --- AC3[ASSISTANT COMMISSIONER  
(INSPECTION)  
PLANNING AND PROGRAMMING  
ANALYSIS AND APPRAISAL  
PERSONNEL EVALUATION  
LIAISON AND SPECIAL  
INVESTIGATIONS  
REVIEW  
ADMINISTRATIVE]
    COM --- AS[ASST. TO THE COMMISSIONER  
ADM. ASST. TO THE COMM'R  
INFORMATION OFFICER  
TECHNICAL REVIEWER]
    CC -.-> DC[DISTRICT COUNSEL  
ADVISORY  
ALCOHOL AND  
TOBACCO TAX  
APPELLATE  
ENFORCEMENT]
    DC -.-> FO[FIELD OFFICE  
DISTRICT COUNSEL]
    AC2 --- DCA[DISTRICT COMMISSIONER  
---  
ASSISTANT DISTRICT COMMISSIONERS FOR  
ADMINISTRATION  
COLLECTIONS  
AUDIT  
INTELLIGENCE  
ALCOHOL AND TOBACCO TAX  
APPELLATE]
    AC3 --- CI[CHIEF INSPECTOR]
    CI -.-> DCA
    CI -.-> FOA[FIELD OFFICE  
APPELLATE DIVISION]
    DCA --- DIR[DIRECTOR OF INTERNAL REVENUE]
    FO -.-> DIR
    FOA -.-> DIR
    DIR --- AD[ADMINISTRATIVE DIVISION]
    DIR --- CD[COLLECTION DIVISION]
    DIR --- AU[AUDIT DIVISION]
    DIR --- IN[INTELLIGENCE DIVISION]
    DIR --- AT[ALCOHOL AND TOBACCO TAX DIVISION]
  
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The organizational chart of the Internal Revenue Service is structured as follows:

- SECRETARY OF THE TREASURY** (with **UNDER SECRETARY** below the title)
  - General Counsel for the Treasury** (connected by a dashed line)
  - COMMISSIONER**
    - CHIEF COUNSEL** (ADMINISTRATION, CLAIMS, ENFORCEMENT, LITIGATION, TECHNICAL)
      - DISTRICT COUNSEL** (ADVISORY, ALCOHOL AND TOBACCO TAX, APPELLATE, ENFORCEMENT)
        - FIELD OFFICE DISTRICT COUNSEL** (connected by a dashed line)
    - ASSISTANT COMMISSIONER (TECHNICAL)** (OFFICE OF INTERNATIONAL TAX RELATIONS, TECHNICAL PLANNING, TECHNICAL RULINGS, SPECIAL TECHNICAL SERVICES)
    - ASSISTANT COMMISSIONER (OPERATIONS)** (FIELD MANAGEMENT AND PLANNING, COLLECTIONS, AUDIT, INTELLIGENCE, ALCOHOL AND TOBACCO TAX, APPELLATE)
      - DISTRICT COMMISSIONER** (ASSISTANT DISTRICT COMMISSIONERS FOR ADMINISTRATION, COLLECTIONS, AUDIT, INTELLIGENCE, ALCOHOL AND TOBACCO TAX, APPELLATE)
        - DIRECTOR OF INTERNAL REVENUE**
          - ADMINISTRATIVE DIVISION
          - COLLECTION DIVISION
          - AUDIT DIVISION
          - INTELLIGENCE DIVISION
          - ALCOHOL AND TOBACCO TAX DIVISION
    - ASSISTANT COMMISSIONER (INSPECTION)** (PLANNING AND PROGRAMMING, ANALYSIS AND APPRAISAL, PERSONNEL EVALUATION, LIAISON AND SPECIAL INVESTIGATIONS, REVIEW, ADMINISTRATIVE)
      - CHIEF INSPECTOR**
        - FIELD OFFICE APPELLATE DIVISION** (connected by a dashed line)
    - ASST. TO THE COMMISSIONER (ADM. ASST. TO THE COMM'R, INFORMATION OFFICER, TECHNICAL REVIEWER)

ASST. TO THE COMMISSIONER
ADM. ASST. TO THE COMM'R
INFORMATION OFFICER
TECHNICAL REVIEWER



posts were under the supervision of these main field offices.

In the present organizational structure, three fundamental changes have been made. First, the basis for organization of the Bureau, as will be noted on the accompanying chart, has been changed from type of tax collected to purpose or function. For example, there is now a Collection Division, an Audit Division, and an Appellate Division. Each handles all types of tax returns.

The only exception to this principle of functional organization is the semi-segregated status of the alcohol and tobacco tax operations. The responsibilities in collecting these taxes have unique characteristics, not entirely of tax administration, but rather of industry regulation and suppression of unlawful operations by police activity. In the words of a Bureau official, it was decided "not to make a fetish of rigid consistency in the face of inconsistent circumstances." The unique character of this policing function was recognized and a separate Alcohol and Tobacco Tax Division established.

The second basic change called for complete revamping of the organizational framework of the Bureau and drawing new lines of reporting authority and responsibility.

At Washington there are now three assistant commissioners of equal rank. Each has responsibility for one of the three major functions at the headquarters level—technical tax work, direction of inspection activities, and management of field operations. The assistant commissioner in charge of field operations has a direct line of control over all field offices, except the work of the chief counsel and the Inspection Service.

In the field, there are being set up 64 offices of director of internal revenue. These offices will be in the same geographical location as the former collectors' offices. Under each director's office nearly all of the work performed by the various types of former internal revenue offices will be assembled. There will no longer be separate offices of collectors, internal revenue agents-in-charge, special agents, and so on. All of these—each of which has until this year been independent of the others in terms of

supervision at the local level—will be combined into the office of the director of internal revenue.

In addition, there is being established a series of new district or supervisory offices, limited by law to 25 or fewer, each headed by a district commissioner who has complete jurisdiction over all matters of tax administration and enforcement in his area. Under the district commissioner in each area will be two or more offices of director of internal revenue.

With one exception, there is in the office of director and district commissioner a counterpart of each division in the office of the assistant commissioner (operations) at headquarters. The exception is the Appellate Division, which is not represented in the director's office. This division enjoys a somewhat separate status within the office of the district commissioner and is the only departure from the direct line-of-authority principle. It was evident that any settlement approved by the assistant district commissioner-appellate should be final. Thus, such settlements are not subject to modification by the district commissioner. They are subject to review in Washington only in order that decisions and rulings may be coordinated and other field offices may be advised of them.

The third basic change in organization was the establishment of an Inspection Service completely independent of the operating activities of the Bureau, with a direct and separate line of control from the Commissioner through an assistant commissioner to its field offices. The objective of the Inspection Service is to insure the maintenance of high standards of conduct and efficiency by all the Bureau's personnel. To this end, the service is charged with conducting frequent and thorough inspections of management, operations, and employee conduct in all departmental and field offices. Inspection activities formerly performed by the Accounts and Collections, Income Tax, Alcohol and Tobacco Tax, and Intelligence Divisions and the Appellate Staff have been unified in the new Inspection Service, as have other inspection functions such as investigation of applicants for positions and investigations of misconduct and irregularities.



The new Inspection Service was set up in advance of the general reorganization of the Bureau and is already well launched. Procedural manuals have been prepared to guide the inspectors in making examinations, and the service is now bringing all field inspectors to Washington, in groups of 25, for an intensive four-week indoctrination course. A rotation plan has been established under which all inspectors will, over a two- or three-year period, have a 60-day tour of duty at headquarters. They will also be interchanged among field offices from time to time to broaden their experience.

#### *Implementation of the Plan*

THE complete metamorphosis of the Bureau here described must be completed, according to the terms of the Reorganization Plan, by December 1, 1952. The Bureau fortunately is in good shape for this tremendous undertaking. Many improvements had already been made in recent years to put its work load on a current basis, and it has a good hard core of able, hard-working, experienced, and loyal personnel.

The reorganization may be described in four major phases: (1) initial planning and scheduling of the reorganization program; (2) establishment of two of the new district offices under the most careful supervision from headquarters, to iron out rough spots and lay patterns for future district installations; (3) reorganization of the headquarters office; and (4) establishment of the remaining district offices. The work of reorganization will not be completed even after all of the new districts have been established, however, for the task of implementation in each district still will be continuing.

The first phase of reorganization planning began shortly after the plan was introduced in Congress. As a general plan of action, the Bureau decided to establish task forces to gather basic data and assume responsibilities for planning and working out all details for putting the reorganization into effect. These task forces, ten in number with three to ten members each, had the following assignments: (1) civil service—to plan all personnel matters in connection with the appointment and re-

assignment of personnel and decentralization of personnel files to the new offices; (2) legal—to prepare delegation orders and work out all legal matters in connection with the reorganization; (3) Washington headquarters office—to determine how the functions of the headquarters office should be reassigned; (4) functional descriptions and charts—to prepare detailed functional statements and charts for each new office; (5) operating manuals—to revise operating manuals to take account of the new procedures; (6) housing—to work out the space problems involved in bringing all internal revenue activities under one roof; (7) revenue and disbursement accounting—to make necessary changes in accounting procedures and reporting of revenue receipts; (8) district and sub-district boundaries—to review proposed district and subdistrict boundaries; (9) budget and fiscal allotments—to develop new work load estimates and to determine the manner in which allotments should be reassigned; and (10) statistical and other control reporting—to review all reporting systems and to recommend and develop new systems.

Members of these task forces, who were mostly specialists in their various fields, served on a part-time basis. Each group was presented with a list of specific assignments and given complete freedom to proceed to do its job as rapidly as possible. The groups were not required to operate in a formal manner or to submit elaborate reports of their activities. The chairman of each task force served as a member of a coordinating body which met with a steering committee of three top Bureau officials to decide matters of high policy, to coordinate the work of the various groups, and to watch their progress.

During this and subsequent phases of planning of the reorganization, three Treasury officials and their staffs—the Under Secretary, who is responsible for top-level supervision of the Bureau, the General Counsel, and the Administrative Assistant Secretary—took part in the major decisions and brought to me matters which required my attention.

The second phase of the reorganization may be said to have begun when the initial assignments of the task forces were substantially completed and the time drew near for the

first test installation of the new organizational setup. At this stage an "installation group" was appointed on March 31, 1952. It was staffed by five full-time, highly qualified, specialists in management and other fields who were directed to pull together the work of the task forces and to schedule the final plans for the field installations. They were responsible for seeing that every necessary administrative decision was made and every necessary administrative action was taken prior to each installation. These actions covered an enormous range, from major matters of issuing orders that would give the new officials legal authority to conduct revenue functions to such details as issuing instructions on what to do about outmoded letterheads and forms. During the intensive work prior to installation of the first reorganized district, the Bureau issued as many as sixteen orders and circulars a day on separate aspects of the reorganization.

The matter of issuing instructions on the use of outmoded letterheads has been referred to as a "detail," but no decision affecting the entire revenue service can properly be classified as such. The Bureau is the largest financial business in the world. It has 57,000 employees, most of whom are in far-flung field offices. In such a vast organization, comparatively minor decisions assume major proportions in terms of operating economy and importance to the public.

Even a decision on what to call the former position of collector of internal revenue was not to be made lightly. It was necessary to choose a title that would indicate the place of the position in the organizational structure, that could easily be remembered by the public, that would fit into the payee line on a taxpayer's check, and that contained words not readily transposed. It was only after consideration of these and other factors that the title of director of internal revenue was decided upon.

In carrying out the district installations, every possible means has been taken to establish close working relationships between the planning groups in Washington and field officials. For example, about a month prior to the establishment of the newly reorganized Chicago district—the first to be established—a key Revenue official from Illinois was brought

to headquarters to work closely with the installation group. Then, just prior to the installation, the new district commissioner and other top officials came to Washington for several days' intensive indoctrination. Two weeks before the event, an installation team was appointed in the district and a representative of the headquarters' installation group was sent to Chicago to provide liaison. A few days in advance of the installation, the entire installation group went to Chicago to complete the final arrangements with local Internal Revenue officials. During most of the planning and arrangements an observer from the New York district, which was next on the slate for reorganization, was present.

On May 20, 1952, ceremonies were held in Chicago, establishing the first of the new internal revenue districts and installing the new district commissioner, directors of internal revenue, and eight other key officials. Among the speakers on this occasion were the Under Secretary of the Treasury, the Commissioner of Internal Revenue, the Executive Director of the Civil Service Commission, and myself. There was tremendous public interest in the installation. Following the ceremonies Bureau officials held a seminar to explain the reorganization to local tax attorneys and accountants. A chain of Internal Revenue supervisors' meetings also was begun with Bureau employees to discuss the reorganization and clear up questions concerning their work under the new system.

Another aspect of the Chicago installation which deserves mention is the space problem. One objective of the reorganization is to house all internal revenue offices in each city under a single roof. Although this necessarily will have to be a long-term project in many areas, Bureau and Treasury space experts, working in cooperation with the General Services Administration, already have been able to obtain contiguous space in the State Madison Building in Chicago. The six widely separated revenue offices commenced moving into the building in October, and the move is expected to be completed by the end of the year.

In planning the Chicago installation, the installation group took a flexible approach, at-

tempting to work out the best methods and order of procedure. As a result of this experience, a comprehensive installation manual was developed showing the step-by-step procedure for reorganizing each district, and including sample forms, orders, etc. The manual was developed for use by district officials who are responsible for various phases of the reorganization. It was first used in the establishment of the second district, in New York, on June 30, 1952.

The Bureau entered the third phase of the reorganization on August 11, 1952, when ceremonies were held in Washington to announce the reorganization of the headquarters office and install the new headquarters officials. These were the three assistant commissioners, four other principal officials in the Commissioner's office, and the chief counsel. As originally planned, reorganization of headquarters in Washington would have preceded the establishment of all of the new district offices, but to speed the field reorganization, in view of the December 1 deadline, it was decided to proceed with the first two district installations. In carrying out the Washington headquarters reorganization, the special task force prepared sets of organization charts and detailed functional descriptions covering both immediate changes and ultimate objectives which were so self-explanatory that written instructions scarcely were necessary. The installation group did detailed planning.

The Bureau has now entered the fourth phase of the reorganization program—the establishment of the remaining districts. Two additional districts—Baltimore and Buffalo—had been established by the end of September, and other installations will follow rapidly until December 1. Top Treasury and Bureau officials will attend each installation ceremony.

With the further perfection of the installation manual, which covers not only steps preliminary to the establishment of new districts but each further step necessary to implement the district reorganization, there has been a steadily decreasing need for assistance from Washington. Target dates have been set for the various steps of each reorganization and its subsequent detail work, and the new district commissioners are required to submit regular progress reports.

#### *Recruitment of Personnel*

ONE of the most important administrative problems encountered during the course of the reorganization has been the recruiting of personnel to fill the new key positions established by the plan. The speed with which recruitment could be accomplished has in part determined the order of establishing the new districts.

The Bureau realized that first consideration should be given to its own experienced employees. This practice was in accord with the promotion policies of the Department; it was also highly desirable where the positions required working knowledge of the technical operations of the revenue system.

In order to give fair consideration to all Bureau employees, a Personnel Selection Board was appointed to nominate candidates for the key field positions of district commissioner, assistant district commissioner (six in each district), and director of internal revenue. This board included high-level Bureau and Treasury officials such as two of the Bureau's assistant commissioners, the Department's director of personnel, and the top assistant to the Fiscal Assistant Secretary.

Every employee whose position or grade indicated that he would be qualified for one of the key positions was considered automatically by the board. All other employees who believed they met the civil service qualification standards for these positions were invited to apply to the board. For certain positions in which knowledge of Bureau operations was not essential, applications were also invited from employees outside the Bureau who had civil service status.

In the course of this selection process, the Selection Board has travelled to all sections of the country to interview applicants. At the time of writing, the board has considered 1,800 applications and interviewed over 600 candidates. Eligibles recommended by the board were ranked in order of preference for consideration by the Commissioner and recommendation to the Secretary of the Treasury for final selection. The names were then submitted to the Civil Service Commission for thorough investigation of the ability and fitness of the applicants, a process which fol-

lowed along the same lines as an unassembled civil service examination.

Collectors of internal revenue who had civil service status have been given the same consideration for the new position of director as other employees of the Bureau. Nonstatus collectors have had to qualify through open, competitive examination by the Civil Service Commission before they could be considered. The Commission has held such examinations for the position of director in twenty-six locations.

To select nominees for subordinate positions in the district commissioners' and directors' offices, district selection boards have been set up in the field. These boards are composed of the top officials in the district offices as well as the directors.

#### *Advantages of the Reorganization*

**I**N SUMMARY, what are the principal benefits to be expected from the major reorganization changes?

First, abolition of all political offices below the rank of Commissioner will make it possible for the Bureau to be a strong career service. For the first time, the Bureau and Department will have full control over the actions of all employees and will be able to assume full responsibility for such actions. The Bureau will be able to fill all positions solely on the basis of competence and integrity and to promise continuity of tenure and promotion on the basis of merit. Greater flexibility in assigning personnel will be possible, because key officials can be transferred from one area to another as required. In the past, collectors were required to be residents of the areas they served.

Second, the changes in the framework of the Bureau will result in a fully responsive and responsible field organization. There will be one unified line of command from the Secretary to the Under Secretary, Commissioner, assistant commissioner (operations), district commissioner, and director. This permits clear and extensive delegations of authority.

Establishment of a system of strong district offices will reduce the number of field offices reporting to Washington and facilitate their closer supervision and control. More uniform administration of the tax laws will result. With more direct control over field operations

and a strong Inspection Service, the Bureau can safely decentralize many of its functions and the headquarters office in Washington can concentrate more on executive direction, planning, and research. At headquarters, integration of field operations at a high level in the organization will also permit more efficient planning and coordination than were previously possible.

With all revenue offices brought together under the director, more effective planning will be possible at the field level. The result should be more effective utilization of manpower and equipment and the elimination of a large number of inter-office routines. It will also be possible to centralize many large-scale processing and filing operations, and to consolidate certain common services such as property management, personnel, and payroll operations.

The reorganization of the Bureau according to purpose or function opens the third large area of probable benefit. For example, lack of sufficient enforcement personnel is one of the most serious problems of the Bureau; bringing together these slender resources in the new Audit Division will make it possible to apply them more effectively. One visit by Bureau representatives to examine all classes of returns will be possible, saving the manpower of the Bureau and providing greater convenience to the taxpaying public.

The new functional arrangement will bring the whole revenue service home to the people. A person need not travel outside his home state to take care of any tax matter before the revenue service. Each state will have at least one director's office, and in this office will be combined functions formerly carried on at scattered points outside the state boundaries.

The functional organization plan will provide a revenue system readily adaptable to changes in tax structure, a particular value in times of national emergency. It is also expected that administration in the field offices will be improved greatly because of the establishment of the office of assistant district commissioner for administration. The former field installations were not well equipped to handle administrative matters.

And, fourth, the strong, independent Inspection Service will assure thorough, continu-

ing checks on the conduct of Bureau employees and the performance of the Bureau's field offices.

It has been pointed out that the Bureau made remarkable progress under the Department's management improvement program, in spite of staggering work loads and the handicaps

of an archaic, cumbersome organizational structure. The new streamlined structure will permit renewed energies to be devoted to the tasks of management, will stimulate new thinking, and will open large new areas for further improvement in methods and procedures.

### *Chronology of Actions Taken to Improve Administration in the Bureau of Internal Revenue*

*Oct. 7-9, 1946.* Conference in Washington of collectors and internal revenue agents, called by the Secretary, stirred interest in better management and resulted in submission of a number of plans for improving operations of Internal Revenue Service. Many adopted in 1947 and 1948 after study and experimentation.

*Oct. 31, 1946.* Letter from the Secretary to bureau chiefs urging streamlining of operations and other administrative improvements.

*Nov. 15, 1946.* Special Committee on Administration in Bureau of Internal Revenue appointed. Appraised ideas and suggestions submitted at the October conference and immediately afterward. Submitted final report August, 1947. Over 100 of the ideas or plans put into effect in the past five years. Examples are: (a) microfilming of records, commencing in 1947; (b) revision of internal forms, from 1946 to date; (c) new sorting and filing methods for processing returns; (d) reduction of interest payments through improved procedures in scheduling refunds; (e) change in tolerance used in computing taxes on form W-2, to simplify adjustments between taxpayer and government; (f) use of pre-assembled forms where practicable to increase productivity and improve service.

*Jan. 14, 1947.* Letter to bureau heads announced appointment of a Treasury Department Committee on Employee Awards. The committee was organized in January; issued regulations and instructions in June; and a formal announcement on July 30 invited employees to participate by submitting suggestions. Bureau employees have submitted over 14,500 suggestions; 2,170 have been adopted, and 1,876 cash awards made. Estimated first-year savings, \$663,900.

*Mar. 25, 1947.* Letter to bureau heads urging accelerated efforts toward improvements to reduce expenditures.

*June, 1947.* Inauguration of work simplification program with a "pilot" installation in the collector's office in St. Paul, Minnesota. The program starts with the lowest level of management, the first-line supervisor, and trains him to apply simple

techniques of management analysis. In five years it has resulted in the installation of more than 2,200 improvements, and an active interest in better management among the lowest supervisory levels of the Internal Revenue Service.

*Nov. 1, 1947.* A Wage and Excise Tax Division formed in collectors' offices by combining the Miscellaneous and Employment Tax Divisions and the Withholding Tax Subdivision of the Income Tax Division. Permitted consolidation of certain forms and records and a better coordinated service to taxpayers.

#### *Other projects begun in 1947 included:*

Microfilming to preserve permanent records but save space and equipment required for records storage. The value of file cabinets and floor space released by this program to date is over \$1,300,000.

Improvements in the scheduling of refund payments, which saved over \$3,000,000 in interest charges during one year by getting refunds to taxpayers more promptly.

Simplification of procedure for paying alcohol taxes by bottlers.

Elimination of transfer stamps on containers of industrial alcohol transferred in bond from one bonded warehouse to another, as investigation revealed there was sufficient protection to revenue without them.

*Feb., 1948.* Report by the House Committee on Appropriations made a number of recommendations for improving the operations of the Bureau.

*Feb. 20, 1948.* Secretary instructed Commissioner to augment his staff to have the function of "broad-scale management."

*Mar. 23, 1948.* Treasury Department Management Committee, established as a consulting organization for improving management throughout the Department, held organization meeting.

*Apr. 22, 1948.* Commissioner's Management Staff established by Commissioner's order. This staff has assumed leadership in management activities.

*Apr., 1948.* Report of the Advisory Group to the Joint Committee on Internal Revenue Taxation released. Recommendations included: (a) estab-



lishment of a "management staff" in Commissioner's office; (b) decentralization of all routine work to the field offices leaving Washington a supervisory and management headquarters; (c) extension of the use of depository receipts; (d) improvements in tax return forms; (e) use of modern sampling techniques to measure adequacy of enforcement methods and volume of tax evasion; and (f) employment of outside management specialists to study organization and operations of the Bureau. All recommendations accepted and made objectives for installation as rapidly as possible.

*July 2, 1948.* By Order No. 5-784, Secretary established Committee to Direct the Management Studies of the Bureau of Internal Revenue. Honorable A. L. M. Wiggins named chairman. This Committee, composed of highly qualified men, within and outside government, has focused attention on management problems of the Bureau for purposes of discussion and analysis, and has been most helpful in advising the Commissioner and in expediting improvements.

*Sept., 1948.* Congress authorized employment of a firm of management consultants to make a comprehensive survey in the Bureau.

*Sept. 30, 1948.* Cresap, McCormick and Paget retained to analyze the organization and procedures of the collectors' offices.

Numerous other developments in 1948 improved the organization and operations of the Bureau of Internal Revenue, such as:

Successful experiments in the Cleveland collector's office on the use of punch-card tabulating equipment for computing tax liability on W-2 returns.

Orders issued for retention of excise tax returns in the collectors' offices, eliminating a duplicate copy for the collector's office and the handling of original returns in Washington.

Photo-copying introduced in many offices to reduce the typing work load and relieve the shortage of typists and stenographers.

*Your Federal Income Tax* rewritten in non-technical language; became a "best-seller."

Instructions to taxpayers enclosed with income tax return forms clarified so taxpayer would know not only what he should report but what he had a legal right to omit or deduct.

New Form 1040A introduced to simplify computation of tax liability by collectors and insure better compliance with income tax law requirements.

Authority to approve routine personnel actions decentralized to field officials.

Authority to approve special refunds of social security taxes decentralized to collectors.

Estate and Gift Tax Division transferred from Miscellaneous Tax Unit to Income Tax Unit, pro-

viding closer linking of field and headquarters' offices as all field examinations of estate and gift tax returns were performed in the field by revenue agents.

Surveying, classifying, and storing of 2,500,000 individual income tax returns, previously performed in Washington, transferred to the field.

*Jan. 29, 1949.* Final report of management consulting firm on study of collectors' offices received. It was a comprehensive document with many plans and recommendations for improvement in the organization and operations of the Bureau.

*Feb., 1949.* Cresap, McCormick and Paget engaged to study organization of the Bureau of Internal Revenue.

*Spring, 1949.* Use of punch-card tabulating equipment extended to seven collection districts from original installation in Cleveland. In 1948, equipment had been used only for 1040A income tax returns; in 1949, experiments extended to 1040 income tax returns, 1040 ES returns, and related documents.

*Summer, 1949.* Tests made as recommended in report of the management consulting firm: (a) Use of electric typewriters, continuous forms, dual roller platens, as posting machines for processing individual income tax returns; (b) discontinuance of separate accounts to record collection of accrued penalties and interest, collections obtained after abatement of assessments as uncollectible, and excess collection of income and withholding taxes; (c) use of simplified scheme for block numbering of returns to reduce typing and proofreading; (d) use of validating machines and bank proofing machines for processing and control of remittances and adaptation of cash register machines to validate special tax stamps; (e) use of simplified procedure for control and disposition of unclassified collections; and (f) use of high-speed posting machines with direct subtraction using continuous carbon-interleaved forms for preparing accounting records.

*Aug., 1949.* Report of management consulting firm on organization of Bureau received. It included a number of recommendations for organizational and procedural changes.

*Nov. 14, 1949.* Commissioner of Internal Revenue issued an order defining the authority and responsibility of the two assistant commissioners. One was given supervision over technical functions, the other over operating activities. This provided a logical division of responsibilities and more adequate assistance to the Commissioner.

*Fall, 1949.* Processing Division given task of inserting and mailing income tax forms and instructions for several collectors' offices. By fall, 1951, this practice was extended to 37 collectors' offices.

Economies were achieved with mass production methods and skilled tax collecting personnel were relieved of this nontechnical task.

*Dec. 16, 1949.* Authority delegated to collectors to make refunds under \$10,000, resulting in collectors processing about 100,000 overassessments per year instead of sending them to Washington for review and scheduling.

*Many other management improvements were made in 1949, such as:*

Audit control program placed in operation, involving sample selection of individual income tax returns for field investigation to determine compliance of taxpayers and the best direction of investigative efforts.

New procedures adopted for processing information documents, to accelerate processing, save time, and obtain better utilization of the documents in auditing returns.

Postaudit review work redesigned to cover the results of audit of individual income tax returns by collectors and to stress uniformity in field application of tax laws and regulations.

Collectors delegated full authority to assert delinquency penalties for late filing of all types of returns.

Collectors delegated responsibility for handling all requests for certified copies of individual income tax returns, and for transcript service for the states in respect to such returns.

*Jan. 1, 1950.* Federal Insurance Contributions Act tax and income tax withheld combined in one form. This saves the taxpayer work and saves Bureau about \$250,000 per year in costs of processing returns. It also permits extension of the depository receipt system to Federal Insurance Contributions Act taxes.

*Jan.-Apr., 1950.* Electronic computers used with punch-card tabulating equipment for calculating tax liability on income tax returns.

*Spring, 1950.* Agreements made with Wisconsin, North Carolina, Kentucky, Montana, and Colorado for cooperation in investigation of income tax returns of residents.

*Sept. 1, 1950.* Bulk gauging tanks installed in internal revenue bonded warehouses to save time of storekeeper-gaugers.

Loss allowance schedule eliminated in connection with remission claims filed by warehousemen of distilled spirits, reducing work load for government and taxpayer.

Eliminated tax payment on distilled spirits prior to bottling in bond and arranged for payment when cases are removed from bond. This simplified tax payment procedure and eliminated delay in releasing cases from bond.

Eliminated reporting of wine gallons as well as

proof gallons and tax gallons. This simplified reporting, and reduced work of storekeeper-gaugers and audit clerks.

Delegated to district supervisors authority to approve qualified documents for alcohol production plants. This reduced departmental work load and costs.

*Oct. 30, 1950.* Discontinued preparation of separate reports of concurrent examination of income tax returns covering two years or more, which saved costs equivalent to salaries of revenue agents and typists.

*Numerous other improvements were made during 1950, such as:*

Certain nonproductive arithmetic verification procedures eliminated.

Numerous minor delegations of authority issued, such as authority to collectors, acting collectors, and deputy collectors to sign various forms and documents for the Commissioner.

*Jan., 1951.* Operational cost system installed in collectors' offices, providing data for businesslike cost control; this facilitates operations analysis and makes it possible to staff offices on the basis of work load.

*Jan.-Apr., 1951.* New office of budget and finance created, and first three regional finance offices established to provide better and more economical fiscal service.

*July 1, 1951.* Uniform stock control system adopted to provide better control of stock issues, inventories, and requisitions for replacement.

Decentralized stationery procurement effected.

New system of administrative control over budget and expenditures adopted covering obligations and expenditures in the offices of those collectors who handle their own accounting.

New system of appropriation accounting placed in effect to simplify appropriation expense accounts.

*Sept., 1951.* Report of survey of management improvement facilities of the Bureau of Internal Revenue completed by committee appointed by Secretary and Commissioner.

*Oct., 1951.* Internal Revenue Inspection Service established; it will provide effective inspection of efficiency and integrity of field offices.

*Nov. 2, 1951.* Income Tax Unit reorganized to reduce the number of primary units from 13 to 5, eliminating 113 positions.

*Nov. 14, 1951.* Tobacco tax functions transferred from Excise Tax Division to new Alcohol and Tobacco Tax Division, consolidating field inspection and enforcement activities in one staff.

*Dec. 11, 1951.* Procedure in considering criminal fraud cases revised by eliminating health of tax-



payer as a basis for refraining from recommending criminal prosecution for tax violations.

*During 1951 several other improvements were made; they included:*

Audit of Form 940, annual return of employer of more than 8 persons under the Federal Unemployment Tax Act, decentralized from Employment Tax Division in Washington to collectors, who can now deal directly with state unemployment compensation agencies.

New method of processing monthly returns of manufacturers of tobacco products and annual accounts of dealers in leaf tobacco installed to eliminate clerical work.

Revenue agents allowed to authorize payment of claims up to \$3,000 on prima facie evidence, so efforts of field examiners can be directed to more productive examinations.

Procedure for alphabetical prefix in classification and numbering of income tax returns installed to

provide quick identification of the class of return and simplify numbering.

*Jan. 2, 1952.* President Truman announced that a plan to reorganize the Bureau of Internal Revenue would be submitted to Congress.

*Jan. 8, 1952.* A more efficient procedure in routing criminal tax evasion cases established, providing a direct referral of such cases from the field by the district penal attorney of the Bureau to the Department of Justice.

*Jan. 10, 1952.* Handling of criminal fraud cases further improved by abandoning policy under which criminal prosecution was not recommended in cases where taxpayers made voluntary disclosures of intentional violation of the internal revenue laws prior to the initiation of the investigation by the Bureau.

*Jan. 14, 1952.* The President's Reorganization Plan No. 1 of 1952, for the Bureau of Internal Revenue, submitted to Congress by President Truman.

#### The Tendency to Central Control

The British Local Government Manpower Committee was appointed January, 1949, "to review and co-ordinate the existing arrangements for ensuring economy in the use of manpower by local authorities and by those Government Departments which are concerned with local government matters; and to examine in particular the distribution of functions between central and local government and the possibility of relaxing departmental supervision of local authority activities and delegating more responsibility to local authorities."

The following excerpt is from the Committee's *Second Report*:

9. *Tendency to central control.* We need say little on this point since so much of both our Reports bears on it in detail. Here we are concerned only to re-emphasise the general principle already recognised in our First Report that "the objective should be to leave as much as possible of the detailed management of a scheme or service to the local authority and to concentrate the Department's control at the key points where it can most effectively discharge its responsibilities for Government policy and financial administration." However much this principle is acknowledged, it tends not to be wholly carried out. It is understandable that anyone who is responsible for some activity should try to keep his finger on the detail of it; but this temptation should be resisted. Instances may occur where a close central control is necessary as a matter of deliberate policy; but, except in such special circumstances, we recommend that the general principle should be the one which we have adopted.

—From *Second Report of the Local Government Manpower Committee*, Cmd. 8421 (H.M. Stationery Office, 1951), p.3.

# Administrative Flexibility in the Federal Civil Service

By ROBERT RAMSPECK

*Chairman, United States  
Civil Service Commission*

I HAVE read with interest Mr. Gladieux' stimulating article on "Civil Service versus Merit" in the Summer, 1952, issue of the *Public Administration Review*. Certainly the federal civil service system should be subject to constant review and scrutiny.

I agree with a number of Mr. Gladieux' points, particularly that government employment necessarily differs from employment in a private undertaking such as the Ford Foundation. Every serious-minded citizen will agree that the act of hiring someone for the public payroll is a particularly sensitive one requiring definite safeguards to protect the public interest.

I do not agree, however, with the recurring statements in the article that the federal personnel system *increasingly* hampers the operating official. On the contrary, I believe that great progress has been made in increasing the administrative flexibility of the civil service system. During the past decade the emphasis of our federal merit system has changed from a policy limited to regulating and policing the operating officials to one which stresses the concept of service. It is important to learn the whole story and assess its significance.

## *Delegation of Personnel Authority to Agency Heads*

DURING the years when federal employees made up a relatively small and stable force, with a large percentage of them located in Washington, it was logical and appropriate for the federal personnel system to operate on a highly centralized basis. Many types of personnel actions were required to clear through

the agency headquarters and through the central office of the Civil Service Commission. As the government expanded its activities and field establishments grew larger and more numerous, the Civil Service Commission recognized that centralized controls should be relaxed to permit appointing officials to act more quickly in personnel matters. In 1940 the first steps were taken to delegate authority to the defense agencies to take certain personnel actions without prior Commission approval. On April 26, 1941, the Commission delegated authority to all federal agencies to make promotions and reassignments to clerical, typing, stenographic, and machine-operating positions, subject to qualification standards which the Commission published.

This delegated authority was gradually extended until in September, 1943, it was applied to all positions in the competitive service except director of personnel and budget director. In addition, authority has been delegated to agency heads to transfer and reinstate employees who meet the Commission's standards.

Mr. Gladieux states his belief that "the latitude of the departments in the selection of personnel examined through the general civil service process needs to be broadened so that the responsibility of the operating agency for the selection of its personnel is more nearly equal to that of the central personnel agency." The extent to which operating officials have been brought into the federal personnel business is revealed by a review of the Board of U. S. Civil Service Examiner program. Such boards on a limited scale have been operating in the field service for many decades, but in

recent years they have grown tremendously in numbers and authority.

Boards of examiners are organized on the principle that personnel selection is one of the most important responsibilities of a line official. Board members, usually key operating officials of the agency, have immediate knowledge of recruiting requirements. Together with personnel-office representatives on the board, they form a team to carry out the objective of staffing the installation with the best qualified persons available in the recruiting area. The board helps to develop qualifications standards, announces examinations, receives the resulting applications, rates the papers, and refers lists of the highest ranking candidates to the installation's personnel office for selection. While serving as part-time board members, agency officials represent the Civil Service Commission and follow our regulations and standards.

In 1940, some 150 boards were operating, chiefly in Army and Navy field activities. Today the number has increased to 825, located in many departments and agencies. More than half of all placements from open competitive examinations are now being made by boards rather than by the Commission's offices. Our experience with expanded board operations in the field service has been so encouraging that we are now extending the board program to agency headquarters offices in Washington where they will replace committees of expert examiners.

Another important delegation of authority has been made to agencies to hire employees directly whenever no appropriate civil service registers exist. In the days of greater centralization each individual action of this type had to be submitted for the Commission's prior review. In 1946 this authority was delegated to agencies. If no civil-service register exists, the appointing officer may hire directly, subject to our general instructions and qualification standards. Standards for most positions under the Classification Act have been issued in a handbook. They also serve as guides for agencies to follow in promotions and other "non-competitive" actions.

At intervals inspectors from the Commission visit agency personnel offices with a twofold mission: to check on delegated authorities by

reviewing a representative sample of the actions taken, and to suggest ways in which the agency's entire personnel program can be improved. Thus, the act of delegation on our part does not represent abdication. We are able to keep fully aware of agency personnel operations, and can withdraw delegated authorities from offenders whenever we find that merit principles are being abused.

The field of position classification offers an excellent example of the general trend toward decentralized operations. Under the Classification Act of 1923, which applied only to positions at agency headquarters in Washington, every new position had to be reviewed in the Commission's central office before the salary could be legally paid. For example, if an agency wished to establish a new position at headquarters, a job description was sent to the Commission's Personnel Classification Division for approval before the position could be filled. Inevitable delays occurred, particularly during periods of expanding employment, although the Commission did speed up the process wherever possible by stationing representatives in agency personnel offices.

Upon the Commission's recommendation, the Classification Act was completely rewritten in 1949. The new act applies to "white collar" jobs in most federal agencies, not only in Washington but throughout the world.

The new act represents what may be called the "standards-postaudit concept." The Commission issues classification standards for the various classes of positions under the act, and each agency head has the responsibility of classifying his positions in accordance with these standards. The Civil Service Commission from time to time sends its representatives to the offices of the agencies to postaudit a representative number of classification actions. We have full authority to require changes in any allocation found to be improperly made, and, if necessary, classification authority can be withdrawn from the agency head. In other words, as long as an agency head conforms to the law and to the Commission's standards, he has maximum discretion for prompt allocation of his positions. If he is not doing a good job, the Commission has authority to step in and take corrective action.

In addition to this delegation of authority

to other agencies, the Commission has greatly decentralized its own internal operations to fourteen regional directors. With few exceptions regional directors have authority to take final action on all requests from agency offices in their respective regions without referring the matter to headquarters. As a central staff agency, the Civil Service Commission for the past decade has been a leader in urging federal agencies to delegate a commensurate degree of authority in the area of personnel administration to their own operating officials. Modern conditions require prompt decision on the scene of action. Operating officials must be free to act without sending every minor problem to headquarters for decision. Unless federal agencies permit their own field officials to act to the extent permitted by the Commission's decentralized program, our efforts to achieve greater speed and economy in federal personnel management will not succeed. Steady progress is being made in this area.

So much for the major change in management philosophy that has taken place within the federal service since 1940.<sup>1</sup> Moving from this background, I should now like to take up some of the specific points mentioned in Mr. Gladieux' article.

#### *Recruitment and Placement*

MR. GLADIEUX is a proponent of the Hoover Commission's proposal for substituting a category method of rating and certification for the present "rule of three." In fact, he would go much further by merging the three Hoover Commission categories of "outstanding," "well qualified," and "qualified" into a single category of all those who meet required standards. This in effect is the "pass examination" system of the 1850's. Its failure to meet the political pressures of which Mr. Gladieux complains is an unimpeachable fact of our nation's history. Grouping the barely qualified and the outstanding candidates together without any distinctions to aid appointing officers appears to be a sure way to scuttle the efficiency Mr. Gladieux wants to develop.

The Civil Service Commission is clearly on record as favoring a modified version of the

Hoover Commission's category method of rating. We agree that greater flexibility should be provided appointing officers in making selections for certain scientific and technical positions. S. 1135, the proposed federal personnel recruitment bill, embodied our recommendations. This bill passed the Senate in the first session of the 82d Congress, but no action was taken in the House of Representatives.

Even though present prospects may not be bright for modification of the "rule of three," there is no reason to take a defeatist attitude about recruitment and placement procedures within the federal service. A quality job can be done within the present "rule of three" and in fact is now being done in most occupational areas.

Here are some thumbnail case studies of recruitment and placement problems that have been solved by resourceful agency officials, working in cooperation with the Commission, within the framework of present civil-service rules and regulations:

#### *1. White Sands Cooperative Training Program*

The White Sands Proving Ground of the Army Ordnance Corps, Las Cruces, New Mexico, has developed a cooperative work-study program with three universities for students in the fields of engineering, physics, and mathematics. Qualified students are selected from civil-service registers of the White Sands Board of U. S. Civil Service Examiners. They then alternate between work in sub-professional jobs and their studies until graduation. (Two universities participate on a basis of six months of work and six months of study. The third, operating on the quarter system, uses three-month intervals.) Upon graduation the trainees can be appointed to full-fledged professional positions without further examination.

A recent issue of the Army's *Civilian Personnel News Letter* contained the following statements on this program:

Under the leadership of Brigadier General G. G. Eddy, White Sands Proving Ground has undertaken a foresighted and comprehensive co-op Student-Trainee Program to insure that the skills required for its professional work will be available as needed. By planning well and enlisting the aid

<sup>1</sup> For an independent appraisal of this trend, see Gladys M. Kammerer, "Revolution by Decentralization," 13 *Public Personnel Review* 137-42 (July, 1952).

of the Thirteenth U. S. Civil Service Commission Regional Office and nearby colleges and universities, White Sands is developing its future scientific and research personnel.

Reception of this Program by the New Mexico A & MA College, Denver University, University of Michigan, high schools within the recruiting area, and operating officials of the Proving Ground has been very enthusiastic. It is expected that it will meet a recruiting need at the present time as well as in the future, and provide for the optimum utilization of the talents of the individuals concerned.

Other agencies have similar programs to appoint college students during vacation periods, with an opportunity for full-time professional work upon graduation.

### 2. JMA Program

For several years after World War II the Commission conducted an annual entrance examination for administrative personnel under the title of Junior Administrative Technician. Although thousands applied for the examination, very little use was made of the resulting register by federal agencies. As the result of recommendations made by our advisory Committee on Administrative Personnel in 1948, a new examination was announced with the title of Junior Management Assistant. This examination has now been held for four consecutive years, and the results are generally recognized as being outstanding. Success of the new plan may be attributed to the following factors:

a. A joint committee of expert examiners has been organized among the interested agencies in Washington to advise the Commission on conducting this examination. Thus the ultimate users of the registers have a voice in developing the recruitment and examination plan.

b. High examining standards have been followed. The written tests are difficult, and group oral examinations are used to measure personal characteristics, along with questionnaires sent to references. A definite effort is made to measure potentiality for advancement to the highest administrative posts. The resulting high quality of the eligibles and the great demand for them has made the "rule of three" virtually meaningless in this examination.

c. The joint committee considers the career in-

terests of the successful candidates in certifying eligibles to the participating agencies.<sup>2</sup>

d. The employing agencies have worked out administrative internship programs to train the new appointees.

### 3. Examinations for Higher Grade Positions

At the end of World War II the Commission made a searching review of its wartime procedures in order to carry over the best features into peacetime operations. For example, our qualification requirements for higher grade administrative, scientific, and professional positions now put more stress on the *quality* of experience rather than on the number of years the candidate has spent in a particular field. We can evaluate quality through a wartime device for assessing experience called a "qualifications investigation." This type of investigation provides information on the way in which the candidate has actually performed his work, the initiative he has shown in meeting problems, and the type of relationships he has established with his own working force and with others with whom he has dealt. In a sense, the qualification investigation is a refinement of the type of inquiry that President Washington made in writing to his trusted friends about the job qualifications of candidates in their vicinity.

For example, recent examinations for key positions in the Bureau of Internal Revenue, to be filled competitively for the first time under Reorganization Plan No. 1 of 1952, require the candidates to be rated on specific factors, which will be developed by qualifications investigations. The factors are:

a. Extent and diversity of experience in the field of administration.

b. Evidence of ability to delegate authority and to plan, organize, and carry through programs and adapt national programs to local situations.

c. Evidence of ability to accept and assume responsibility of wide scope.

d. Ability to cope with difficult situations and to analyze, decide on, and put into effect practical solutions to a variety of technical, administrative, and management problems with a minimum of delay.

<sup>2</sup> Clyde C. Hall and Harold H. Leich, "The Human Touch in Civil Service Placement," 12 *Public Administration Review* 178-80 (Summer, 1952).



e. Ability to interpret and apply laws, rules, regulations, and legal precedents.

f. Ability to preside at and conduct meetings, conferences, or hearings.

g. Ability to deal effectively with associates, commercial organizations and groups, and the public.

#### 4. *Open Continuous Examinations for Higher Administrative Posts*

Another World War II development that we carried over was the use of "open continuous" examinations for specialized jobs in the higher grades. There is no closing date for these examinations, and candidates can apply at any time. By means of "examining circulars," information about these examinations is sent to professional societies, industry, state and local governments, and other sources where the best candidates can be found. This is quite a change from the traditional method of placing an announcement on a post office bulletin board. A theory of posted announcements is that supposedly the unknown but highly qualified person will see the announcement and apply. Our experience, however, is that for higher grade jobs the typical announcement will not attract enough qualified persons, and therefore we adopted this more positive manner of finding the best qualified candidates.

#### 5. *Immediate Appointments in Shortage Categories*

In some occupations, such as engineering, chronic shortages of qualified workers have existed for many years. As agency officials pointed out, our traditional procedures of examining and certification made it almost impossible to obtain qualified engineers and other specialists before they were lured away by private employers.

To meet this problem the Commission several years ago worked out a plan for on-the-spot appointment of persons in shortage categories. Announcements in these fields are kept open continuously and eligibles are normally hired as rapidly as they can be placed on the register. Therefore we can arrange for agency officials on recruiting trips to make immediate appointments when they locate qualified candidates. Since there are ordinarily no others on the list of eligibles, the new candi-

date becomes No. 1 as soon as the recruiting official determines that he meets the announced requirements. Thus a firm hiring commitment can be made in a few minutes, before the prospect is offered other employment.

#### *Promotions*

MR. GLADIEUX deplores the weight that he says is given to "tenure" in deciding who shall be promoted within the federal service. If this term is used in the sense of length of service, it is easy to demonstrate that in most agencies seniority is not a controlling factor in promotions. Employees are not automatically selected for higher-grade vacancies on the basis of their appointment dates. There is evidence of growing effort to find the best qualified person, regardless of seniority. Certainly, no civil-service regulations require that age or seniority be considered.

In 1950 the Commission stated that each agency should establish a systematic promotion program and listed a number of broad principles to govern promotion practices. The concept of seniority is not even mentioned in these principles. Instead, the statement includes such wording as "potentiality for advancement," "broad areas of selection," and to "insure that the best qualified persons will be selected according to merit."

A growing number of agencies use competitive examinations for screening the best candidates for promotion. An outstanding example is the Navy program for promoting blue-collar workers to supervisory positions on the basis of written tests and performance evaluations. Incidentally the Navy Department uses the "rule of three" in making selections for these promotions although not required to do so by law or regulation.

In 1951 the Commission conducted a competitive promotional examination across agency lines. Announced as the "Federal Administrator" examination, the competition was limited to employees serving at grade GS-12 and above. A difficult written test in problems of administrative judgment was given to competitors. In a sense the "category" method of certification was used, in that the names of a bloc of the highest ranking competitors were sent to all defense agencies for

consideration in filling administrative posts. A number of transfers and promotions have resulted from this examination, although it was not held until after the peak of emergency expansion.

The true and effective incentive for employees in the federal service today is the opportunity for rising to higher responsibilities regardless of seniority or political affiliations. Despite limitations on rapid promotions under the now-famous "Whitten amendment," an able young scientist or administrator can rise from his entrance job at grade GS-5 (\$3,410 a year) to grade GS-15 (\$10,800 a year) in the relatively short span of seven years. Such sustained progress would be highly exceptional, but the opportunity is there within present "civil-service restrictions." A well managed agency need not succumb to the "spreading paralysis of mediocrity" or the "leveling process in which the good and the bad are treated much alike" that Mr. Gladieux fears.

#### *Removals*

MR. GLADIEUX pictures the civil service as developing into a sanctuary for the mediocre and the unimaginative. The reader is led to believe that the federal payroll is cluttered with deadwood, secure and content in lifetime appointments. A brief review of federal employment statistics shows that this impression is not based on fact. In fiscal year 1952, for example, 385,180 persons voluntarily left the so-called security and comforts of the federal service. Also, if any of the 25,495 employees who were fired for cause during this same 12-month period shared Mr. Gladieux' views of the government service as a lifetime sinecure, they got a rude awakening.

Neither the law nor the Civil Service Commission gives any protection to the incompetent and the unfit. The procedures that administrators are required to follow in ridding their rolls of incompetents are basically simple. Unfortunately, some agencies have administratively set up unnecessary layers of appeal channels on dismissal actions. The Commission has urged agencies to eliminate such obstacles to the expeditious firing of inefficient or unsuitable employees. The Commission is now reviewing the legal requirements and procedures for dismissal actions to make sure that

administrators are not hampered in their efforts to weed out undesirable workers.

Mr. Gladieux may be referring to appeals of veterans against agency removal action in stating that the Civil Service Commission has a tendency to favor appellants in dismissal cases. We do, of course, make certain that appellants have every opportunity to state their case and that agency action follows legal procedures. Of the several thousand veterans who were dismissed for cause in fiscal year 1952, about 800 appealed their dismissals to the Civil Service Commission. It is interesting that the Commission found it necessary to reverse agency actions in only 96 of these cases.

Most federal administrators will agree that there is little difficulty in removing even a long-term "status" employee who drinks on the job, is insubordinate, or violates common standards of honesty or morality. Certain borderline cases always create trouble, as will cases involving delicate interpretations of laws affecting dismissal procedures. A few "headline" cases are inevitable in an organization of over two million employees.

Comparisons of federal removal and other personnel procedures with those of private business often overlook the effect of union contracts and current labor legislation on the freedom of industrial employers to do as they see fit. True enough, a private employer with a handful of workers can hire and fire at will. But the factory manager employing 10,000 union members must be fully as watchful of procedural details and the rights of his workers as any federal administrator. Real pressure can be brought to bear on him to retain incompetents.

#### *Reductions in Force*

MR. GLADIEUX urges drastic revision of the complex system agencies must follow in reductions in force resulting from reorganizations or cuts in appropriations, and I fully sympathize with his views.

We must keep in mind, however, that the basis of the present system for laying off federal workers is prescribed in the Veterans' Preference Act of 1944. The layoff provisions in this act were designed to carry out the desire of Congress that the preference given to veterans for appointment to government po-



sitions should not be nullified by administrative action terminating these appointments. The act provides that four factors—veteran preference, tenure of appointment, length of service, and efficiency ratings—must be considered in determining the order in which employees are to be laid off. Any proposal to simplify the administration of the reduction-in-force system cannot be less complex than the framework of specific requirements spelled out in these provisions.

The Civil Service Commission has announced a tentative plan to minimize the problems created by existing reduction-in-force procedures by reducing the number of reassignments that agencies have to make in cutting their staffs.

#### *Agency Discretion versus Government Uniformity*

I FULLY agree with Mr. Gladieux that such basic conditions of federal employment as pay rates, qualifications standards, and leave allowances should be uniform for all agencies. Many other personnel provisions should be generally consistent with the principle that the government is one employer, but should leave enough room for agencies to meet their own special problems and perhaps do some experimenting toward new approaches. Several examples of current provisions to effect this end come to mind.

In 1941, under Executive Order 7916, the Commission required all agencies to establish grievance procedures in accordance with eleven broad principles. Details were not specified; each agency developed its own plan after consultations with employees. These plans were then submitted for the Commission's approval.

I have already mentioned the promotion principles which we published in 1950. In this case agency promotion plans are not submitted for our prior review. Instead they are examined in actual operation during the Commission's regular inspections.

About the same time, the Commission invited agencies to enter into "executive development agreements" with the Commission. The purpose of these agreements is to encourage agency officials to assign promising employees among the various administrative

specialties (such as personnel, methods, or budget work) in order to develop their administrative knowledge and ability. By means of the agreement, the Commission assures itself that the agency will establish an adequate training program for the employees who are being reassigned. Wide discretion is allowed in the type of program proposed by the agency.

The Performance Rating Act of 1950 follows a similar principle. The Commission issues standards and each agency then submits a "performance rating plan" for the Commission's review to determine whether it conforms to the standards. A great amount of variation exists in the administrative and procedural aspects of the different plans.

#### *The "Entrenched Bureaucracy"*

I HAVE no fear that our career service is or will become an "entrenched bureaucracy," incapable of responding to new problems and challenges. Federal employees are not a unique group of American citizens. Geographically, economically, and socially our public service is representative of all elements of our population. Those of us who have been close to the civil-service system during the last two decades know that the movement of people in and out of the public service as well as within the service has been one of the major problems of federal personnel administration. How can one reconcile the concept of an "entrenched bureaucracy" with this constant flow of persons in and out of government positions? The challenge before us is not to prevent the growth of an "entrenched bureaucracy," but rather to correct the mistaken notion that it exists. This we are trying to do by refuting the myths that government employees are a group apart—different somehow from the rest of the taxpayers.

#### *Politics and Civil Service*

MORE than two and one-quarter million employees are now covered by the competitive civil service. To state that not one of these employees obtained his appointment through political influence would be unrealistic. (This is not to gainsay the fact that even one case of political influence is too many.) I

do believe, however, that the number of appointments in which politics played a role is a very small percentage of the total. On the other hand, I wonder how often a personnel officer in private industry must compromise on merit to meet demands for appointments for friends of his superiors.

I am convinced that the Civil Service Act has been effective in providing the nation with a career service based on merit rather than on political affiliation or influence. The fact that there are instances of political influence in civil-service employment should spur us on to stronger measures that will enable honest and courageous administrators to resist political pressures in filling positions. To accept the premise that political influence in civil service is inevitable is to invite the patronage advocates to take over.

#### *Conclusion*

THE history of the last decade reveals a federal civil service that is reasonably flexible and responsive to the changing needs of our society. The great expansion in the government service from less than a million to three and one-half million employees in World War II does not conform to the portrait of an unadaptable personnel system that Mr. Gladieux paints.

Most of the restrictions in federal personnel administration today go back to requirements

of law with which, presumably, the majority of our citizens agree. The provision for a competitive merit system with stated preference for veterans is one example. The Civil Service Commission is merely the instrument for administering these legal requirements and for rendering a personnel service to federal administrators. It has not gone out of its way to devise an unworkable system. In fact, within the existing legal framework, the Commission has done its best to develop workable procedures in consultation with the agencies. In many cases it has urged changes in legislation to make the system more adaptable.

In conclusion, the federal government in recent years has taken positive steps to:

1. Decentralize personnel management as rapidly as the writing of standards and training of agency officials permit;
2. Standardize and streamline the inevitable "paper work" of personnel administration; and
3. Bring the central personnel authority and agency officials together as a team for improving personnel management.

We know that the federal service is not perfect and that much remains to be done. We will always welcome constructive help from federal agency officials and members of the public in helping us improve the present system.

# Needed Reforms in the Federal Budget System

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IT HAS been increasingly recognized in recent years that Congress is poorly organized and equipped to perform what is perhaps its greatest single task—that of reviewing and passing on the federal budget and determining the fiscal policies of the government. No substantial change has been made in the process of congressional review of the budget since the Budget and Accounting Act of 1921 was adopted, though on the executive side great improvements in budgeting have taken place. The Bureau of the Budget, which for many years had only a small estimates staff and operated within a narrow frame of reference, has become an effective staff arm of the President. In 1937, it had a staff of only 45 persons and a budget of only \$187,000. Today it has approximately 500 employees and an annual budget of \$3.5 million. It has become the management center of the government, corresponding closely to the British Treasury, with an able staff of administrators, budget analysts, economists, and other types of experts. A corresponding development of budget staffs has also taken place in most of the executive departments, bureaus, and agencies. The methods and procedures utilized in federal budgeting have likewise developed rapidly within the last fifteen years. The major recommendations of the Hoover Commission for the adoption of a "performance" budget have already been put into effect, and it may be noted that the Department of Agriculture and some other agencies had used "project" or program budgeting for years.

Congressional methods and procedures which were adequate twenty-five years ago in passing upon the annual budget of less than \$4 billion appear ill suited to cope with the \$80 billion budget of today. Formerly mem-

bers of the appropriations subcommittees through continued service had sufficient firsthand information in most instances to pass intelligently upon the far smaller budget requests; today the federal government has vastly increased in size and complexity, with numerous activities and programs extending not only throughout this country but throughout the world, with the result that the federal budget has become so big and complex that the committees of Congress are no longer able to cope with it effectively.

There is a mounting demand in Congress and the country to balance the budget and to reduce federal expenditures. In 1952 Congress made an unprecedented net reduction in the President's budget of approximately \$6 billion under his original budget of \$8.5 billion and a larger reduction when account is taken of the revised estimates subsequently made by the President. The largest cut, totaling about \$6 billion, was for national defense and will require a stretching out of the rearmament program. The President, reviewing the budget in August, stated significantly that if fighting continues in Korea it may become necessary to ask for additional funds. The second largest reduction was in foreign economic and military aid; other substantial reductions were in the funds voted for civil defense, defense housing, education and research, and the Voice of America program. Substantial increases, however, were voted for certain programs, notably atomic energy development, the agricultural price support program, and veterans' services and payments. It may be noted, too, that some of the cuts were "paper" reductions of the type which are popular in election years, and that additional funds will have to be appropriated at the next session of Congress. The large

cut in the foreign aid program and the drastic cut voted by the House in military expenditures through imposing a maximum limit on expenditures of \$46 billion during the present fiscal year (later rejected by the Senate) were strongly criticized in the press. Despite the substantial cuts voted by Congress, however, the present forecast is for a deficit at the end of the fiscal year of \$10 billion, a reduction from the \$14 billion deficit estimated by the President in January.

A study of the results of the review by Congress of the President's budget over a period of years would indicate that Congress has not been notably successful in balancing the budget or in achieving real economies. Often the House has voted substantial reductions knowing that they would be largely restored by the Senate. While this practice has been strongly criticized, in many instances ill-advised reductions were voted by the House and the tradition that the Senate act as an appeals body on appropriations is not without merit. In many instances the cuts voted by Congress have been really postponements of necessary appropriations which were subsequently made up by deficiency appropriations. Often reductions voted by Congress have been arbitrary, such as a flat percentage cut or rigid limitations on personnel or other items. A rule that only one employee in four who quits the service may be replaced operates alike on understaffed and overstaffed agencies. Arbitrary or "meat axe" reductions, flat percentage cuts, and rule-of-thumb restrictions on certain items indicate the inability of Congress at present to do a really intelligent job of passing on the budget.

Several major considerations point unmistakably to the need for a fundamental reform in our federal budget system, particularly the control over the budget by Congress and executive-legislative relationships and arrangements in the budget process. First, continued deficit financing has caused many persons to ask whether the government has not lost its ability to manage its finances soundly. In only three years since 1930 has the federal budget been balanced—1947, 1948, and 1951. The surplus in 1951 was due largely to the delay in the expansion of the armament program. The deficit financing during most of the period

since the end of World War II has contributed significantly to the inflationary trend. Some defense, of course, can be offered for deficit financing during this period, but the real explanation is that politically it is difficult, if not impossible, for the government to manage its finances soundly under the present budget process and practices. Congress has been unwilling to levy additional taxes recommended by the President to meet planned expenditures, and the President has been unwilling or has deemed it unwise to trim expenditures to anticipated revenues.

A second consideration which points to the need for strengthening the federal budget system is the immense size of the present federal budget, totaling \$80 billion, or approximately 28 per cent of the national income. This may be compared with a budget of \$3.3 billion, or 5.5 per cent of the national income, in 1930, and \$8.9 billion, or 12.8 per cent of the national income, in 1939. The huge federal budget has a great impact on the economy of the country, making sound management of federal finances imperative. Economists are generally agreed that the federal budget should be managed with close regard to national economic trends and requirements. Present processes, however, place serious limitations on the use of the budget to promote economic stability. Budget policies and ceiling figures are determined fifteen months before the start of the fiscal year. This time lag between the planning of the budget and the date it goes into effect, which blunts its edge as an instrument of economic control, is due to an overly elaborate budget process in which the executive departments and the President need over six months to prepare and revise the budget and Congress needs a like period to vote appropriations. In recent years, except 1952, Congress has often not voted the appropriations until months after the start of the fiscal year.

One of the basic problems of federal finance is the power exercised by organized interest and sectional groups. Senator Douglas has had little or no success in his fight against subsidies to agriculture and to shipping, aviation, sugar, and other industries, benefits to veterans, and pork barrel public works bills, though he was able to secure the revision of the fed-

eral law cutting down the amount of leave granted to employees. Even foreign governments now maintain lobby organizations in Washington to seek congressional support for appropriations to aid them. State employees in departments receiving federal aid often intercede with the congressmen from their state on behalf of appropriations and are under no such restraints as apply to federal officials. Once the federal government embarks on a program of federal aid it is unlikely that it can ever stop or curtail it in the face of these pressures. Pork barrel expenditures for uneconomic public works have increased enormously, and, as Senator Douglas has discovered, it is unlikely that valiant efforts by individual members of Congress in opposing particularly bad projects will ever succeed. The only solution would appear to be for Congress to delegate the function of passing on individual projects under suitable legislation fixing the policies and controlling the exercise of that discretion.

The peculiar system of authorization and appropriation followed by Congress diffuses the responsibility for federal finances. Before an appropriation can be made, Congress must authorize the program, which is passed on by the various legislative committees. The authorization specifies the nature of the activity to be carried on; it may also set a time limit and stipulate the amounts to be spent annually. The appropriations for foreign aid, for example, are passed on first by the Foreign Relations Committees of each house and then by the Appropriations Committees. While the system has some merits, it obviously splinters responsibility for federal finances. The committees which pass upon authorizations for new or expanded programs have little or no feeling of responsibility for the financial condition of the government. They are primarily interested, as a rule, in advancing the particular program. After a program has been authorized the government is in some degree committed to carry it out. When estimates come before the President, the Bureau of the Budget, and the Appropriations Committees of Congress, often there is little discretion left concerning the proposed expenditure.

Students of federal budgeting are generally agreed that greater control is needed over the

authorization of new or expanded programs. An obvious reform would be to require detailed estimates of the anticipated costs over a period of five years and a report from the Bureau of the Budget. This would give the President an opportunity to oppose new programs which he regarded as inimical to his fiscal program, and possibly to force consideration of new proposals in the light of the whole picture of government finance.

When the Budget and Accounting Act was passed thirty years ago, one of the primary objectives was to enable Congress to deal more effectively with the over-all budget, to provide for an executive review and coordination of the budget before its submission to Congress. At that time a single Appropriations Committee was created in each house, but the broad objective of an over-all consideration of the budget was never achieved. The budget submitted by the President is taken apart and considered piecemeal by ten subcommittees in each house, each acting virtually as an independent committee. Each department's budget requests are passed on separately and decisions are made without regard to the total requirements and estimated revenues. Congress never has an opportunity to consider the budget as a whole and weigh the relative needs of all programs. Thus the central purpose of the budget process is largely defeated.

It is hardly necessary to point out that a true budget includes income as well as expenditures, and that each side of the budget is considered in relation to the other in reaching decisions. This basic principle is generally observed in other national governments, but for nearly a hundred years expenditures and revenues have been passed on by Congress as separate, unrelated subjects. The committees which pass on tax legislation have no lively sense of responsibility for bringing in tax proposals to meet proposed expenditures and to implement a consistent fiscal policy; similarly the Appropriations Committees are under no compulsion to keep expenditures within revenues. This separation has become so fixed in this country that when we speak of the federal budget we refer only to proposed expenditures; the revenue program is not regarded as a part of the budget. The illogical separation of revenue policies from spending policies is



not confined to the Congress but exists also in the executive branch—the President is advised on tax policies by the Treasury and on expenditure policies by the Bureau of the Budget.

#### *Proposals for Reform*

IN 1952 some forty bills and resolutions were introduced in Congress to revise its present procedures and organization for passing on the budget. A leading proposal which has received the backing of many members of both houses is the adoption of a consolidated appropriation act to replace the dozen or more separate acts plus supplementals and deficiency appropriations. This plan, which was tried out in 1950, was abandoned the following year on the ground that it resulted in delays and left little time for the Senate to consider appropriations. Although intended to provide an over-all view of federal spending, the omnibus act fell short of that goal and did not bring about any material change in the consideration of the budget. The experience of 1950 indicated that merely combining the several appropriation bills into a single bill without any other change made little difference.

The Congressional Reorganization Act of 1946 provided for a so-called legislative budget, or ceiling figures on revenues and expenditures, to be adopted at the beginning of each session. It reflected congressional dissatisfaction with the present system of passing on the budget piecemeal and the desire for some means whereby the Congress may at one time pass upon the total budget, revenues as well as expenditures. The plan never worked, however, and has been abandoned.

It has been frequently proposed during the last decade that Congress should set up its own staff to examine the departmental budgets, a staff similar to that of the Bureau of the Budget under the President. Senators King of Utah and Davis of Pennsylvania in 1939 and 1940 offered bills that would create a congressional budget staff, but their proposals received little support. The congressional reorganization bill of 1946 initially provided for four professional staff members for each subcommittee of the House and Senate Appropriations Committees, or an increase of over

forty staff members for each committee. As finally enacted, the act authorized each committee to employ whatever staff it required. The Appropriations Committee of the House has substantially increased the size of its staff since 1946 but that of the Senate Appropriations Committee has remained about the same. In the 80th Congress under Republican control the staffs of both committees were considerably increased.

Senator McClellan of Arkansas, chairman of the Senate Committee on Government Operations and a member of the Senate Appropriations Committee, introduced a bill (S. 913) in 1952 to provide for a joint committee of Congress on the budget, with a staff of budget analysts, which he referred to as a congressional budget office. This bill was reported favorably by the Committee on Government Operations and passed the Senate by a vote of 55 to 8. A similar bill in the House introduced by Representative Colmer was reported favorably by the powerful Rules Committee over the opposition of Clarence Cannon, chairman of the House Appropriations Committee, and John Taber, ranking minority member, but failed of passage.

The McClellan bill as it passed the Senate provided for the creation of a joint committee on the budget, consisting of fourteen members from the House and Senate Appropriations Committees, eight from the majority party and six from the minority party. The functions assigned to the joint committee were: (1) to inform itself on all matters relating to the budget; (2) to provide the Appropriations Committees with information concerning the budget and its justification and the findings of the committee; (3) to make reports to the House and Senate Appropriations Committees at the beginning of each session and subsequently during the session of the total estimated costs of all authorized projects; (4) to make reports and recommendations to any standing committees of Congress concerning fiscal matters; and (5) to make available members of its staff to assist the House and Senate Appropriations Committees in their work. The last function was the primary one envisaged for the proposed joint committee. In the Senate debate on the bill, Senator McClellan stated that its purpose was to

... give to the Appropriations Committees of the Congress what they do not now have, namely, a service committee to obtain information and to make it available to the Appropriations Committees on a year-around basis, with an adequate staff to inquire into expenditures and then make its report and its recommendations. . . . So I am trying to get for Congress an agency such as the President has in the executive branch to pass on the budget requests of the various agencies. What I hope to do is to concentrate the investigative power in a committee similar to that which the Bureau of the Budget has, with a competent committee staff equipped to do that work.

In explaining the need for a larger staff to serve the Appropriations Committees, Senator McClellan declared that they had at present "no authentic source of information to refute or contradict the claims of need and justification made by the spending agencies" and that the committees need a staff to

... go to the various departments and agencies and examine their records and make investigations to determine how the money the Congress appropriated for them last year has been spent or is being spent, and whether it is being wasted, and whether the service for which the money was appropriated is really necessary. Our committee does not do that. We have no one to do it. We simply hear the testimony of the representatives of the various executive departments and agencies. We may doubt their statements, and we may think that the service could be rendered more cheaply. However, we have nothing with which to rebut the persuasive testimony the representatives of those executive agencies give in making a case for their respective departments or agencies.

In concluding his remarks Senator McClellan inquired: "Are we going to sit supinely by and let the schemers, wasters, and spenders saddle the Nation with ruinous inflation, economic chaos and bankruptcy?"<sup>1</sup>

The McClellan bill was widely commended by the press. The most emphatic endorsement was that given to it by *Life* magazine, which declared in its issue of February 4, 1952, that if Congress "is to regain real power of the purse, it must radically change its behavior toward the budget. It must learn to make a budget itself."

<sup>1</sup> *Congressional Record*, April 7, 1952, pp. 3631-40 (daily edition).

There was little opposition to the bill in the Senate debate. Liberals and conservatives, Democrats and Republicans alike supported it. During the hearings on the bill, Senator Byrd of Virginia questioned the advisability of creating a congressional budget agency which would duplicate the work of the Bureau of the Budget, and Senator Saltonstall of Massachusetts, a former governor, raised similar questions in the Senate debate, but both voted for the bill. Senator Douglas, who has made a single-handed fight for reductions of federal expenditures, came out strongly in 1952 for equipping Congress with a staff of experts and technicians to help it handle the massive budget, maintaining that the job of balancing the budget was one which only Congress could accomplish and that it could expect little help from the staff of the Bureau of the Budget.<sup>2</sup>

The proposal for a congressional budget staff under a joint committee on the budget was vigorously opposed in the House by Chairman Cannon of the Appropriations Committee, and John Taber, ranking Republican member, who appeared before the Rules Committee against the similar Colmer bill. They took the position that the Appropriations Committees should be served by their own staffs and that the proposed joint committee would encroach on the functions and prerogatives of the Appropriations Committees and the House itself. Other members of the House Appropriations Committee, however, favored the Colmer bill. Before it came up for consideration by the House, Mr. Cannon countered by a move to secure an additional appropriation of \$500,000 to the House Appropriations Committee to increase its investigative staff. On July 3 the House declined by a close vote to take up the Colmer bill and on the same day the Senate inserted the McClellan bill as an amendment to the 1953 supplemental appropriations bill. The outcome was that the Senate amendment was rejected and \$500,000 additional funds were voted, to be divided equally between the Senate and House Appropriations Committees to increase their investigative staffs. The House Committee has employed a director of studies and investigations, and is proceeding to re-

<sup>2</sup> Paul H. Douglas, *Economy in the National Government* (University of Chicago Press, 1952), pp. 64-65, 224.



cruit an additional staff, but no plans apparently have been formulated at this writing for the increase of the staff of the Senate Appropriations Committee.<sup>3</sup> While this increase was voted to augment the staffs of the Appropriations Committees, it may be noted that the appropriation for the Bureau of the Budget was cut.

The staff of the House Appropriations Committee during the last session of Congress consisted of 39 members of its regular staff, plus a number of part-time employees. The regular professional staff consists of the clerk, 18 assistant clerks, the majority of whom receive in excess of \$10,000 a year, and 20 clerical employees. In addition it has an investigative staff consisting of 5 full-time persons and approximately 50 persons in 1952 on loan from government agencies to conduct special investigations. The expenditures of the committee for staff during the last year amounted to \$501,896, divided approximately equally between its regular staff and the investigative staff.<sup>4</sup> The staff of the Senate Appropriations Committee is considerably smaller, numbering 19 according to the latest information.

#### *Movement for State Legislative Fiscal Officers*

THERE has been a movement also in a number of the states, including California, Ohio, Michigan, Texas, Oklahoma, Kansas, Nevada, and others, to create special staffs to serve the legislature on fiscal matters. In most states these staffs are very small, usually only one or two professional persons. The experience of California, which has a legislative budget staff of 26 persons, is significant. In 1941, after the Republican Legislature had reached an impasse with the Democratic Governor and had lost confidence in his budget recommendations, it created a Joint Committee on the Budget, with a budget staff under its supervision. The task of passing on the appropriation measures, however, was left with the regular committees charged with this function. The Joint Committee on the Budget

was given the function of "ascertaining the facts" and making recommendations to the Legislature "concerning the state budget, the revenues and expenditures of the State, and of the organization and functions of the State, its departments, subdivisions and agencies, with a view to reducing the cost of State Government, and securing greater economy and efficiency." The staff of the committee is headed by an officer with the title "legislative auditor," whose principal function is to make a detailed analysis of the Governor's budget and specific recommendations for changes. At the beginning of each session he publishes a report to the Joint Committee entitled *Analysis of the Budget Bill*. In 1952 it contained 655 pages analyzing each of the 400 items in the Governor's budget and recommending reductions in 125 items.

This report is used primarily by the appropriations committees of each house. It is not passed on by the Joint Committee but is a staff report for which the legislative auditor alone is responsible. The usual procedure in the hearings conducted by the appropriations committees is for the legislative auditor or his representative to present his analysis and recommendations of each item as it is taken up, and to follow with the testimony of the department officer in defense of his budget request as approved by the Governor. The departments submit copies of their budget requests and justifications to the legislative auditor as well as to the Governor's budget office, and both offices conduct an examination of them. The legislative auditor and members of his staff attend the budget hearings conducted by the budget office and utilize the information secured there as well as their own investigations as the basis for their analyses and recommendations.

Opinions about the results obtained under this arrangement differ widely. Members of the appropriations committees believe that the analyses and recommendations of the legislative auditor, who is entirely independent of the administration, are very helpful to them and provide the facts which enable them more intelligently to pass on and to make reductions in the Governor's budget. The executive officers of the departments are generally critical of the present arrangement. Perhaps their

<sup>3</sup> *The New York Times*, July 28, 1952.

<sup>4</sup> The list of staff members with salaries is in the *Congressional Record*, July 29, 1952, p. A4946. According to a statement of one of the members of the committee during the debate on the Colmer bill, 144 special investigators were used during the last year.

criticisms are an indication of the value of the system. Their complaint is usually that the recommendations of the legislative auditor for reductions are not based on adequate knowledge of their programs and needs and an understanding of administrative problems. The work load statistics used by the legislative auditor to justify his proposed reductions, for example, are often criticized as being misleading or wrongly interpreted.

The hearings before the appropriations committees take on the appearance of a judicial proceeding, with the legislative auditor appearing in criticism of the departmental requests and proposing reductions, and the executive officers appearing in rebuttal in defense of their requests. The type of consideration of the budget by the appropriations committees is thus largely determined by the recommendations of the legislative auditor; if he recommends approval of an item, as he does of about two-thirds of the items, it is usually passed over. Whether this procedure improves the review of the budget by the appropriations committees is arguable; it may be said in its favor that the legislative auditor points out the places where the budget may be cut, and the committee decides after hearing evidence from both sides. It may be contended on the other side that this procedure does not give the committees an over-all review of the programs and needs of the departments and tends to confine their consideration to particular details where reductions have been recommended.

It cannot be claimed for the California system that it has resulted in large-scale reductions. The reductions made by the Legislature have been relatively small in comparison with a state budget, which now runs well over \$1 billion annually. Actually the Legislature has voted each year recently more funds than requested by the Governor. The totals, however, obscure the fact that the Legislature does make numerous reductions, as a rule on the recommendation of the legislative auditor, but that these cuts are more than offset by increases of other items or new appropriations to carry on activities not included in the Governor's budget. For the current fiscal year, the Governor submitted a budget of \$1,185 million, which was subsequently increased by re-

vised estimates to \$1,191 million. The Assembly voted to increase the Governor's budget by \$50 million; the Senate voted reductions totaling the same amount. The final outcome was a reduction of \$2.5 million, or of approximately 0.2 per cent, but the Legislature voted a special appropriation increasing the aid to public schools, thus raising the appropriations to \$1,200 million, or \$9 million more than requested by the Governor.

A summary of the individual item reductions recommended by the legislative auditor and the action of the Legislature on these recommendations is more revealing. In the Governor's budget for state operations, totaling \$337 million, the legislative auditor recommended reductions totaling \$6.5 million, or slightly under 2 per cent. Of the 292 appropriation items contained in the Governor's budget bill for operations, the legislative auditor recommended reductions in 66 and no change in 226. The Legislature made cuts in 37 of these items totaling \$3,450,000 and increased 6 items by \$320,000. No change was made in the other items. These reductions were offset by increases voted in other items, and the final result was a net reduction of this budget of \$337 million by only \$200,000.

In the Governor's capital outlay budget totaling \$228 million, the legislative auditor recommended reductions totaling over \$66 million, or 29 per cent. The Legislature voted reductions totaling approximately \$7 million, or about 3 per cent. The local assistance and shared revenue budget, totaling approximately half of the total state budget, is fixed by law and hence not controllable. The Legislature voted an increase of \$12 million in this budget.

The legislative auditor is expected to make recommendations of reductions. There have been rare instances when he recommended increases. His staff examines closely any proposed increases in the number of state employees, and in many instances recommends disallowance. In 1952 the Governor's budget included provisions for 2,700 new employees, of which 700 were eliminated by the Legislature on the recommendation of the legislative auditor. One of the largest cuts recommended in the operations budget was for 232 new highway patrolmen at a cost of \$1 million annually; they were requested by the Gover-

nor because of the high rate of automobile accidents in the state. The Legislature voted an increase of only 100 officers. Similarly the legislative auditor scrutinizes closely all requests for new equipment and this year the Legislature cut equipment items by about \$500,000.

While the majority of the recommendations of the legislative auditor for reductions relate to specific items, in many instances his recommendations are based on policy issues. As an illustration, he recommended this year that the state subsidy of \$85,000 annually to the poultry industry for the testing and control of pullorum disease be discontinued. Pointing out that pullorum is a disease exclusively of poultry and hence not a public health problem, he contended that the industry was well able to bear the cost of this program, which was of financial benefit to it, without government subsidy. Despite the protest of the industry the Legislature accepted the recommendation and discontinued the subsidy.

The value of a legislative staff agency like the California legislative auditor cannot be measured merely by the amount of reductions voted in the Governor's budget. Under the best budgeting the reductions voted by the Legislature are always very small, and sometimes nominal. Members of the Legislature believe that the independent check by the legislative auditor of the Governor's budget results in closer budgeting and that many items are eliminated which might otherwise be included. On the other hand, it can be argued that the existence of such an office causes the budget office and the Governor to leave in items which they know will be opposed by the legislative auditor. Despite criticisms by executive officers, the system works, on the whole, quite well in California under the present state leadership. The Governor commands the respect and confidence of the Legislature and he and his budget office work closely with its committees considering the budget; the legislative auditor and his staff are entirely nonpolitical (though not under civil service) and work harmoniously with the budget office and the executive departments. The experience, however, has not always been so successful, and it may be argued that in

some respects it is contrary to the principles of sound budgeting.

#### *Conclusions*

IT MAY be doubted whether merely increasing the budget staff of the Appropriations Committees of Congress, or setting up a separate congressional budget staff, as proposed in the McClellan bill, would bring about the needed basic reforms in the federal budget system. Indeed, as Chairman Cannon pointed out ten years ago, the creation of a large staff attached to the Appropriations Committees may create more problems than it solves. He stated that there are two major difficulties involved, "the difficulty in building up an organization which through its intimate association with the members of the committee would slowly but surely increase its salaries, its personnel, and its jurisdiction until it became in effect a Frankenstein which could not be controlled or dislodged, and, second, the establishment of an organization amenable to political manipulation which could be used for partisan purposes."<sup>8</sup> Mr. Cannon made arrangements at that time to secure the loan of civil service personnel from the departments and agencies to conduct studies and investigations as needed, believing that this would be preferable to building up a large permanent staff. In recent years there has been great insistence that Congress have its own staff wholly independent of the administration, a trend which may prove unfortunate if carried too far.

It would not be wise for Congress to establish its own budget agency or a large staff under the Appropriations Committees to attempt to duplicate the work of the Bureau of the Budget. Any step which tends to weaken the executive budget and to break down the responsibility of the President for the preparation of the budget and the proposal of suitable fiscal policies will not strengthen the budget system or enhance the control exercised by Congress. The type of budget review conducted by the Appropriations Committees and their staffs, and the type carried on by the President and the Bureau of the Budget, should be quite different. Each branch has its proper functions to perform, and it would not

<sup>8</sup> 89 Congressional Record 887 (1913).

be desirable for either branch to encroach upon or to duplicate the functions of the other.

There should be much closer relations between the Executive and the Congress, particularly of persons charged with passing upon financial matters. The Bureau of the Budget staff should follow the practice universally followed in the states of working closely with the appropriations committees of Congress and their staffs, supplying them with information which they need and desire. It is sometimes argued that members of the Bureau of the Budget staff would always defend the President's budget, and hence could not assist the Appropriations Committees by indicating where the budget should be cut. This contention mistakes fundamentally the kind of information which the members of the Appropriations Committees need. They do not need and would not long tolerate (despite the California experience) advice and recommendations for specific reductions. They need, rather, to have information about the needs and programs of the departments, the reasons behind the President's budget, and at times information about what kinds of investigations the Bureau of the Budget has made of the agency operations and budgets and the results of such investigations. With this kind of information available, the Appropriations Committees would be in a better position to pass on the department budgets and to determine where cuts should be made. The Bureau of the Budget has a vast reservoir of information about department plans and operations which could not be duplicated by a congressional staff agency. Given close relationships between the Congress and the President in the budget process, there will be little need for Congress to establish a budget agency of its own, though it will need a staff of adequate size and high competence to service its Committees on Appropriations.

Other basic reforms are needed in the federal budget process. Somehow Congress must bring together its consideration of the whole budget, of revenues and expenditures. How this can be accomplished with the long tradition of separate committees with vested interests and prerogatives is difficult to see. Greater control needs to be exercised over authorizations, and quite likely the present practice needs to be revised. Congress concerns itself too much at present with the details of expenditures and not enough with the major issues. In other words, Congress should raise its sights. It should give more attention to major policies and less attention to the green sheets; instead of attempting to decide whether an activity could be carried on as well with fewer employees or less expenditures for supplies, automobiles, postage, or public relations, it should give more attention to whether the program is needed at all, or whether the money could be better spent for something else. Congress should reconsider what its real function is in deciding on the whole budget and the fiscal policies of the government, how the present splintering of responsibility in Congress on fiscal matters may be corrected, and how pork barrel expenditures may be curbed and the power of pressure groups lessened.

In summary, Congress needs to consider broadly changes which will permit the government better to manage its finances. Basic reforms are needed to enable the government to adopt and to carry into effect consistent and well-considered fiscal policies to stabilize the national economy. The problem is one which calls for the creation of a national commission of inquiry on which both Congress and the executive branch are represented, for without effective teamwork between the President and the Congress, no real reform in the budget system will ever be possible.

# Administrative Reorganization in New Jersey

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FIVE years have passed since the people of New Jersey revised the state's century-old constitution. The year 1947 marks a major turning point; for many officials, governmental operations are described in terms of "before" or "after" the new constitution. The adoption of the constitution provided a stimulus to administrative reorganization and to an examination of operating programs which has resulted in substantial changes in policies and procedures. Not all that has been done can be classified as positive, nor has everything been done that should have been done. The millennium in New Jersey's state government has not yet arrived.

It is significant, however, that the adoption of the new constitution was merely the first step in a series of continuing acts of reorganization and adjustment. The constitution effected no instantaneous reform, adopting and freezing a new pattern. Rather, it has given the Legislature and the Executive opportunities to make a considerable number of changes. These changes have been much more sweeping and significant in some functional areas than in others owing, in part, to the realities of political life.

Woodrow Wilson observed in 1912 that the government of New Jersey had developed by "patchwork and mere accretion; by the multiplication of boards and commissions, by the addition of first this piece and then that piece to existing departments."<sup>1</sup> Despite numerous attempts to gain some semblance of order, there were in 1947 over seventy agencies with

varying degrees of autonomy. Fundamental reforms were impossible under the old constitution. Although the Governor was theoretically the chief executive officer—he was the only popularly elected administrative official—his ability to supply effective direction was seriously hampered by four constitutional defects: (1) the Governor could not succeed himself after his three-year term; (2) two principal officers, the state treasurer and the comptroller, were selected by the Legislature meeting in joint session; (3) the long terms of other officers, such as the attorney general, tended to destroy any feeling of personal responsibility to the Governor; and (4) the existence of two military officers, the adjutant general and the quartermaster general, compromised the Governor's position as commander in chief.

In view of the constitutional disabilities, the development of a fully integrated administration was impossible. Legislative enactments provided other obstacles. Laws had been passed providing for the selection of important administrative officers by the Legislature. Other heads of agencies were selected in a variety of ways. Terms of office were often fixed by law for periods longer than the term of the Governor, and each incoming Governor inherited literally dozens of top-level officials in whose appointments he had had no voice.

All of the constitutional and most of the legislative obstacles to effective control were swept away in 1947.<sup>2</sup> The requirement of the new constitution that existing agencies be

<sup>1</sup> Message of James F. Fielder, Governor of New Jersey, Transmitting to the Legislature the Second Report of the Commission upon the Reorganization and Consolidation of Different Departments of the State Government Whose Functions Are Interrelated, Trenton, 1914, p. 7.

<sup>2</sup> The Governor's term was lengthened; he was permitted to succeed himself once; the terms of the only officers recognized by the new constitution—the secretary of state and the attorney general—were limited to the Governor's term; the Legislature was forbidden to elect or appoint any executive, administrative, or ju-



allocated among not more than twenty principal departments set the stage for a major reorganization of the administrative structure. A commission representing the Legislature and the Administration prepared plans for consolidating all executive agencies into fourteen departments.<sup>3</sup> Individual reorganization bills were drafted for each department. All but one passed, the fourteenth failing because of a controversy over the procedure for selecting the commissioner of education. For some agencies, the reorganization meant simply a change in name and a change in status from one of seventy-odd to one of a select fourteen. For others, the five-year period has been one of constant activity as new functions have been added and old ones modified and occasionally eliminated.

## I

IN SOME instances, administrative reorganization was almost completely dependent upon constitutional revision. The state's military agencies are a singular illustration. In the constitution of 1844, two staff officers, an adjutant general and a quartermaster general, were given constitutional status, and no limits were placed upon their terms of service. Two separate departments evolved, each headed by an officer claiming life tenure. Conflict between the two departments was not uncommon, especially when divergent personalities occupied the two offices. The Governor, though constitutional commander in chief, found his control of the military system extremely limited.

By legislation adopted in 1947, a new post, that of a chief of staff responsible directly to the Governor, was established. The Department of Defense was created by executive order shortly afterward.<sup>4</sup> During the constitutional convention, the problem of the incumbent generals was much discussed and extensive testimony was presented to the Committee

on the Executive, Militia and Civil Officers. After a vigorous struggle, any reference to the adjutant general or to the quartermaster general was eliminated.

The State Department of Defense Act, passed in 1948, transferred all functions of the two old agencies to the Department of Defense.<sup>5</sup> The chief of staff, who heads the department, is free to establish its internal organization and to assign personnel and functions. There is but one exception: the division of civil defense was attached by statute to the department in 1949.<sup>6</sup> The director and his deputies are appointed by the Governor. Although the Civil Defense Plan states that the director "is responsible to the Governor through the Chief of Staff" there is doubt that the regulation would have much meaning in an emergency.<sup>7</sup> The law ties the director closely to the Governor; indeed, in time of emergency, the director is authorized to exercise his powers "in the name of the Governor."<sup>8</sup> Actually there is little relationship between the functions of the Department of Defense and the division of civil defense. The department is a military organization. The division is primarily concerned with the organization of voluntary protective forces, such as auxiliary police and firemen and rescue squads, and with recruiting personnel for the federal air raid warning system. Incidentally, both the department and the division are headed by unsalaried officials.

The department's internal organization follows the staff structure of the United States armed forces as closely as possible. The main function of the department is to perform the staff work incident to the recruitment, training, operation, and administrative and logistical support of the Army National Guard, the Air National Guard, and the Naval Militia. The peculiar status of the National Guard as a half-federal, half-state, institution requires extensive coordination and cooperation between these levels of government. The complete reorganization of the department, made possible by the revision of the constitution, un-

dicial officer except the state auditor. *Constitution of New Jersey 1947*, Art. V.

<sup>3</sup> For a summary of the commission's activities see C. Wesley Armstrong, Jr., "Administrative Reorganization in New Jersey," 21 *State Government*, 244-47, 254-55 (1948).

<sup>4</sup> Executive Order No. 7, July 3, 1947.

<sup>5</sup> L. 1948, c. 82, p. 473.

<sup>6</sup> L. 1949, c. 86, p. 396.

<sup>7</sup> State of New Jersey, *Civil Defense Plan*, Trenton, 1950, p. 10.

<sup>8</sup> L. 1949, c. 86, p. 397.



questionably has resulted in a more effective military administration.

Constitutional revision also made possible radical changes in the functions performed by the attorney general. Reorganization, in this case, illustrates a pattern characteristic of the revision process. Several important new functions are placed under an officer subject to greatly increased control by the Governor. However, the head of the new "integrated" department is limited considerably by the fact that most of the added units are protected by a statutory divisional status. The rigidity resulting from separate legal status and the entrenched positions of certain agencies has retarded functional coordination.

Traditionally the legal adviser of the state and its representative in matters in which the state was a party, the attorney general is now the administrative head of the state's law enforcement machinery. Creation of a Department of Law and Public Safety would not have been feasible prior to 1947 because of the attorney general's long constitutional term. No Chief Executive would willingly have placed all machinery for law enforcement under an official who was virtually independent of executive control.

The department now comprises not only the legal staff of the attorney general but also four formerly independent enforcement agencies—state police, motor vehicles, alcoholic beverage control, and weights and measures. Each of these units has divisional status provided by statute. The traditional functions of the attorney general are concentrated in a division of law. A sixth statutory unit, the division of professional boards, brought eleven independent licensing agencies under the supervision of the attorney general.<sup>9</sup> By executive order, a bureau of traffic safety was recently established.<sup>10</sup>

Custom plays an important role in the functioning of the department. The practice continues of part-time service on the part of the attorney general and of his 30-odd deputies. Notwithstanding the importance and the varied character of departmental operations, the reorganization act did not require that the attorney general serve on a full-time basis. In

an effort to meet the need for coordination of divisions, the office of administrative director was created last year.

Prior to the reorganization, at least three of the agencies—state police, motor vehicles, and alcoholic beverage control—were powerful, independent units. The process of integration requires time. Two illustrations will suffice to indicate the nature of the problem. The first concerns a curious anomaly in New Jersey namely, the presence on the highways of two uniformed state patrols. Historically, the Department of Motor Vehicles and the Department of State Police were each given power to enforce highway regulations. Each developed its own staff. When the agencies were allocated to the Department of Law and Public Safety, little effort was made to integrate them. To have done so would have been extremely difficult since their systems of operation were entirely different. For example, the motor vehicle inspector force is under civil service. The state police, on the other hand, operates as a semi-military organization with separate recruitment, training, pay, and retirement policies. In recent years, the staff of the state police has been increased considerably, from an average of 372 in 1947 to a present authorized strength of 643. It is possible that the road patrol activities of the approximately 125 motor vehicle inspectors may eventually be eliminated and that their major activity will be the examination of applicants for drivers licenses.

A second illustration of the difficult administrative problems in the new department is the system of licensing and registering motor vehicles, established in 1906. The state does not perform the operations incident to the registration of vehicles and the issuance of license plates and drivers' licenses; private individuals are appointed on a fee basis in various communities to act for the director of motor vehicles. Despite attacks upon the system as uneconomical and subject to abuses, fundamental changes have not been acceptable to the Legislature. The system is a type of political patronage which the legislators are reluctant to discard. These illustrations indicate that effective administration is dependent not only upon constitutional revision or administrative reorganization but also upon a

<sup>9</sup> L. 1948, c. 439, p. 1707.

<sup>10</sup> Executive Order No. 31, Nov. 30, 1951.

thorough overhauling of the state's general policies and procedures.

Executive control over fiscal matters was enhanced by eliminating the constitutional provision for election by the Legislature of the state treasurer and the comptroller. To provide the Chief Executive with at least the minimum financial controls, a State Department of Taxation and Finance was established in 1944 with budgeting, accounting, purchasing, and other functions.<sup>11</sup> The reorganization act of 1948 combined this agency, the Office of State Treasurer, the Office of State Comptroller, the New Jersey Racing Commission, and a number of formerly independent retirement systems in the Department of the Treasury. The department is headed by the state treasurer, appointed by the Governor to serve at his pleasure.<sup>12</sup>

Since the passage of the reorganization act, internal changes have been confined chiefly to a few areas. A division of investment was established in 1950, following severe criticism by a special study group of the state's procedures for purchasing securities.<sup>13</sup> The state employees' retirement system, the police and firemen's retirement system, and others were brought together physically under one roof and now operate within a bureau of public employees' pensions.<sup>14</sup> From a policy point of view, the importance of this last step can scarcely be exaggerated. For over a half century, pension legislation has been enacted with relative abandon. Now, for the first time, there exists an administrative agency to consider the many-sided aspects of this difficult problem.

## II

FOR most agencies, constitutional revision in itself was comparatively unimportant. Reorganization was dependent upon executive leadership. In the Department of Health, for example, the adoption of the new constitution had nothing directly to do with the far-reaching statutory and administrative changes which have taken place, although the "reorganizing mood" of the period may have been influential.

Early in 1947 the twelve-member State Board of Health was abolished.<sup>15</sup> Since 1915 the board had been the governing head of the department and had selected the director of health. Critics of the board contended that it was unwieldy and had a tendency to assume administrative duties. The members of the board sometimes assigned themselves to the various bureaus in the department and were looked upon as the unofficial heads of those bureaus. The department was criticized for the lack of coordination among the separate units.<sup>16</sup>

The office of state commissioner of health replaced the board as head of the department. The commissioner was to be appointed by the Governor with the advice and consent of the Senate for a term of five years. A seven-member Public Health Council was created to advise the commissioner and to establish a state sanitary code. Following the adoption of the constitution, the 1947 act was amended. The department was classified as one of the principal departments and the commissioner's term of service was made dependent upon the pleasure of the Governor.<sup>17</sup>

One of the striking features of the 1947 act was its authorization to the commissioner to prescribe the organization of the department, subject only to the approval of the Public Health Council. All appointments were to be under civil service. The amended act required that the State Crippled Children's Commission be placed within the department and that a bureau of examination, licensing, and registration be established. The structural position of these units was left to the discretion of the commissioner.<sup>18</sup> A further limitation was introduced in 1952 with the passage of

<sup>11</sup> L. 1947, c. 177, p. 792.

<sup>12</sup> *The New Jersey State Department of Health, An administrative study of the department by the United States Public Health Service, with supplementary recommendations by the State Board of Health [1943], pp. 14-15.*

<sup>13</sup> L. 1948, c. 444, p. 1748.

<sup>14</sup> The commissioner of health is a member of the State Crippled Children's Commission. The commission reports to the director of the division of constructive health who in turn reports to the commissioner of health. Anomalies of this type occur in other departments also.

<sup>15</sup> L. 1944, c. 112, p. 287.

<sup>16</sup> L. 1948, c. 92, p. 511.

<sup>17</sup> L. 1950, c. 270, p. 917.

<sup>18</sup> Executive order of the Treasurer, June 5, 1951.

legislation establishing a division of chronic illness control.<sup>19</sup>

The commissioner of health took full advantage of his freedom from statutory limitations. Previously, seven divisions, eight bureaus, and two miscellaneous units reported to the director of health. At present, there are six major divisions: constructive health, environmental sanitation, laboratories, local health services, preventable diseases, and vital statistics and administration. The recently created division of chronic illness control will constitute a seventh. Related functions have been placed under the same head. Laboratory services, for example, formerly were provided by at least six different units. Now a division of laboratories acts for the entire department. Personnel and housing changes were made with a view to bringing together appropriate units of each division. Unhappily, because of the lack of adequate office space in Trenton, the department is scattered among nine buildings.

The reorganization of this department, unlike some others, was much more than a reshuffling of the personnel and a regrouping of individual units. The decision was made to alter the character of the central office to provide consultative, advisory, educational, and promotional services rather than a variety of direct services. Formerly, for example, public health nurses were employed by the department to assist communities that did not have local health nurses. In theory, the nurse was to remain only until the community was willing and able to provide its own service. In practice, the community rarely acted. The state continued for years to pay and supervise nurses whose work was confined to one small area. Now the responsibility is being shifted. The money formerly applied to the salaries of nurses is made available to local governing

bodies on a grant-in-aid basis. The community must take the initiative to hire the nurse. The department will assist her through its advisory services, but she is the employee of the municipality rather than the state.

Changes in the department's policy and organizational structure have been accompanied by a close examination of services performed. One illustration will suffice. After a survey of the use made of duplicate serologic examination reports, the duplication and filing of over 300,000 items annually was eliminated and the old files destroyed. Responsibility for retaining the original report was placed upon the doctor who had requested the examination. The original reports were returned in window envelopes, thus saving the typing of 300,000 addresses. Procedural economies and changes in departmental policy on the types of direct service to be provided have enabled the department to expand its over-all activities without any increase in personnel.

In at least two agencies, assistance for internal reorganization has been obtained from management consultants. The Highway Department has had the benefit of a survey by Griffenhagen and Associates. The results of the survey have not been made public but, within the last few years, a number of organizational changes have taken place.

Representatives of the Council of State Governments in 1948 conducted a study for the Department of Institutions and Agencies of the varied systems of welfare administration. The report was critical of the categorical assistance programs, each of which was administered differently, involving "not only different staff relationships but also different financial relationships."<sup>20</sup> Old age assistance and aid to the blind were administered locally by county welfare boards. Aid to dependent children operated through district offices of the department. General assistance was the responsibility of the municipalities with supervision from the Department of Conservation and Economic Development. As a result of the study, all welfare services at the state level were consolidated in a statutory division of welfare headed by a deputy commissioner

<sup>19</sup> L. 1952, c. 102. The director of the division is appointed by the commissioner to serve at his pleasure. The creation of a statutory division at the last session was an effort by a special study commission and by the department to obtain legislative recognition—and funds—for an increasingly important phase of public health. This would appear to be an instance where the introduction of a degree of statutory rigidity of organization was a necessary by-product of the political need to call special attention to a specific function.

<sup>20</sup> *Public Welfare in New Jersey, A Structural Analysis Made by Frank Bane and Geoffrey May of the Council of State Governments* (mimeo.), Trenton, 1949, p. 2.

within the Department of Institutions and Agencies.<sup>21</sup> The county welfare boards now administer all programs at the local level except general assistance. The municipalities have been unwilling to surrender this responsibility.

### III

ADMINISTRATIVE reform in military affairs, law enforcement, finance, health, highways, and welfare, while varying in character and degree, may be contrasted with the lack of substantial change in other areas.

A number of departments have not been affected to any marked degree either by constitutional revision or by statutory reorganization. The major change in the Department of Agriculture was the allocation to it of the Office of Milk Industry.<sup>22</sup> The Department of Banking and Insurance acquired the New Jersey Real Estate Commission as a statutory division.<sup>23</sup> The Department of State was assigned the office of the state athletic commissioner.<sup>24</sup> The former Board of Public Utility Commissioners—a part-time body—became the Department of Public Utilities.<sup>25</sup>

The last structural change of consequence in the Department of Education occurred in 1945,<sup>26</sup> before the adoption of the new constitution. An effort by educational groups to place the power of appointment of the commissioner of education in the State Board of Education rather than in the Governor has repeatedly been blocked in the Senate. The Senate's action has been due probably less to a concern for preserving the authority of the Chief Executive than to a natural reluctance to give up permanently every vestige of control over a patronage position of importance.

The redistribution of more than seventy agencies among fourteen departments resulted in instances of a greatly increased administrative burden upon the top-level departmental staff. For some departments, the large number of new units made impossible any rapid change in administrative practices. There was

no choice but to keep the old agencies operating almost as they were prior to the reorganization. The department was, of necessity, little more than a legal framework within which numerous agencies were placed. The Department of Conservation and Economic Development is a case in point, consolidating under one head literally a host of formerly independent units bearing little functional relationship to each other.<sup>27</sup> The Department of Labor and Industry combines the old Department of Labor with agencies in charge of unemployment compensation, rehabilitation, and mediation.<sup>28</sup>

Rigid adherence to the number fourteen has resulted in a legal structure which sometimes does not reflect actual conditions. The New Jersey Turnpike Authority is the best, although by no means the only, illustration of an organizational fiction. By law, the Turnpike Authority was placed in the State Highway Department.<sup>29</sup> Actually, it operates as an independent entity. The New Jersey Supreme Court has declared that the Authority is "in but not of" the State Highway Department.<sup>30</sup> The state highway commissioner is not a member of the Turnpike Authority. His staff does not participate in its operations.

There are still many agencies which do not function as integral parts of the departments to which they have been allocated, but for most the condition is relatively temporary. Two powerful factors tend to support the continuing drive for integration. One is the problem of obtaining operating funds. Regardless of its former status, each unit's asking budget must have the approval of the department head. A second formidable budgetary hurdle is the hearing and determination by the Treasury Department's division of budget and accounting. Finally, on the executive side, there remains the problem of obtaining the Governor's approval. Financial control is a powerful means of inducing cooperation. The second unifying factor is personnel turnover. Retirements, deaths, and resignations create opportunities for new minds unfettered by

<sup>21</sup> L. 1950, c. 166, p. 355.

<sup>22</sup> L. 1948, c. 447, p. 1777.

<sup>23</sup> L. 1948, c. 88, p. 499.

<sup>24</sup> L. 1948, c. 445, p. 1757.

<sup>25</sup> L. 1948, c. 90, p. 506.

<sup>26</sup> L. 1945, c. 51, p. 138.

<sup>27</sup> L. 1948, c. 448, p. 1783.

<sup>28</sup> L. 1948, c. 446, p. 1762.

<sup>29</sup> L. 1948, c. 454, p. 1856.

<sup>30</sup> *New Jersey Turnpike Authority v. Parsons* (3 N.J.

235 [1949]).

outmoded practices. Time can be an able ally of a determined department head.

The Department of Civil Service, formerly the Civil Service Commission, continues to be headed by a five-member body.<sup>31</sup> The leadership of a new president combined with the availability of additional state funds has produced promising developments for the approximately 23,000 state employees. Increased pay schedules, the adoption of a forty-hour week, a new effort at developing a sound merit rating plan—these and other efforts have done much to improve morale.

Among the obstacles to a fully integrated administrative organization are the reorganization acts themselves. Some are considerably more restrictive than the constitution requires. They hamper control by the department head, first by freezing the internal structure and second by compromising him with respect to the appointment of his divisional directors. In Health, Civil Service, Defense, and Highways the department head has wide discretion. He can create, consolidate, or eliminate divisions almost at will. In Treasury, Law and Public Safety, and others, the divisional structure is fixed. Whenever the department head desires to effect a change, he must seek enabling legislation. These variations stem in part from the nature of the functions performed and in part from the pre-1947 status of the agencies concerned. The more technical and specialized the function, the greater was the tendency to free the department head from statutory restrictions. However, where an agency of considerable importance was brought into a department, the reorganization acts nearly always accorded the unit divisional status.

Undoubtedly, there were also political reasons for the variations in the discretion given department heads by the reorganization acts. The specialized nature of the operations in some departments offered few opportunities for political appointments. As a consequence, the department head was permitted wide latitude. In agencies requiring administrators with less technical training, the department head was relieved of responsibility—or at least

required to share his responsibility with the Governor and the Senate. Approximately twenty division heads are appointed by the Governor with Senate consent.

Inattention to the chain-of-command theory is evidenced further by the statutory term of many division heads. In some instances department heads who serve at the pleasure of the Governor have, as subordinates, division heads who are appointed by the Governor and serve during the Governor's term. Removal power is also vested in the Governor, not the department head. The department head may initiate each appointment or removal, but his freedom of selection and his ultimate control of the agency may be severely prejudiced.

In effect, many of the reorganization acts performed a twofold disservice to the department chief. His control over the department was appreciably reduced by the fact that he could not alter the fundamental structure without legislation. In the long run, this may tend to discourage organizational developments in keeping with changes in function. His control was lessened also by the provision for gubernatorial appointment of division heads. Much depends upon the attitude of the Governor and the political pressures of the moment. In the past, members of the Legislature have often looked upon the top-level positions in a number of agencies as avenues either for personal advancement or for discharging political obligations. Senate consent meant political selection. The reorganization acts do not alter the pattern.

Although the reorganization acts do not measure up fully to the standards established by the constitution, this failure should not obscure the substantial accomplishments of the last five years. Since the initial allocation of agencies to the principal departments, scores of less spectacular forward steps have been taken. Much remains to be done; but if events of the last five years are any guide, much more will be accomplished. Indeed, the most meaningful feature of the revision-reorganization movement has been the continuing nature of the efforts to improve the state's administrative structure and the efficiency of its operations.

<sup>31</sup> L. 1948, c. 89, p. 504.



# Technical Assistance: The Problem of Implementation

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TECHNICAL ASSISTANCE is a phrase that has been heard with increasing frequency during the last few years. The term relates to a process which has exercised and in all likelihood will continue to exercise a lasting influence over the course of mankind. There is every prospect that the practice of technical assistance will continue indefinitely, and that it will increase, perhaps many times over, in scope and intensity. Wholly apart from the fact that a technical assistance program may itself deal substantively with public administration, such a program, by whomever undertaken in whatever field and in whatever circumstances, will depend measurably for its success on the administrative arrangements made for its execution. Once again therefore public administration comes to the fore, if not in a new then at least in a greatly expanded setting.<sup>1</sup>

NOTE: This paper was presented at a panel session on "Public Administration as Technical Assistance" at the annual conference of the American Political Science Association, August 28, 1952.

<sup>1</sup> There is a varied miscellaneous literature reporting the results of innumerable technical assistance ventures over a period of many years. The identification and scientific analysis of the process of technical assistance is, however, a task which awaits the hand of contemporary scholarship. The first systematic study of supra-national technical aid is Walter R. Sharp's *International Technical Assistance* (Public Administration Service, 1952). On the domestic front, recognition of the nature of the process of technical assistance came somewhat earlier. Worthy of note, if not as a pioneering venture then as a concerted effort at objective analysis, is a joint study, launched in 1946 by seven southern state universities, of technical assistance as practiced locally—agencies available to render aid, forms of assistance, channels for the effectuation of aid, obstacles, results. This project eventuated in a series of publications which are very useful as exploratory studies. Vera Briscoe, *Aids Toward Better Public Service* (University of Kentucky,

## *The Nature of Technical Assistance*

TECHNICAL ASSISTANCE may be said to occur when a unit or agency of government, of whatever kind or dimension, receives aid on a technical problem not available to it solely through its own normal resources. Thus broadly conceived, it is at once clear that appropriation of the term for exclusive application to the great new international programs,<sup>2</sup> a development currently threatened, would represent an unfortunate narrowing of its true significance. The national, even the local, practice of technical assistance is as important in its way and to its clientele as the expanded international programs, if mayhap not so dramatic. Our preoccupation here is not with any particular variety of aid, but with technical assistance as a process affecting government, all government, great and small and wherever placed. The hypothesis is that the underlying problems of technical assistance are generic rather than special, and that the process may therefore be subjected to critical analysis without reference to considerations of time, scope,

1949); Robert B. Highsaw and Edward M. Johnson, Jr., *Aids for Governing* (University of Mississippi, 1948); Paul W. Wager and George H. Deming, *Technical Aids to North Carolina Officials* (University of North Carolina, 1948); Christian L. Larsen and Paul J. Jenkins, *Technical Services for South Carolina Governments* (University of South Carolina, 1948); and Virginia Holmes Brown and Hoyt Crider, *Analysis of Technical Services Available to State and Local Agencies in Tennessee* (University of Tennessee, 1951). The Alabama and Virginia studies remain in manuscript form.

<sup>2</sup> Walter Sharp, *op. cit.*, lists all supra-national technical aid programs—bilateral, intercolonial, regional, multi-lateral in the widest sense—under the convenient rubric "international technical assistance." I shall follow the same practice in this paper.



nature of program, place, or level of involvement.<sup>3</sup>

Contemplation of the process of technical aid suggests that, whatever form it may take and wherever it may occur, *research* and *planning* are fundamental ingredients of a technical assistance program. It is interesting that research and planning also are of the essence of staff work, and this observation gives rise to another basic proposition: the problems incident to carrying into effect a program of technical assistance are comparable in kind to those encountered in the implementation of staff work. In simplest terms, then, the ultimate problem of technical assistance is in an important sense that of following staff plans through to the stage of action.

Technical assistance, as the term is employed in respect of international aid, is available to "underdeveloped," "economically backward" countries. There is habitual use of these and like phrases in the pertinent writings, without any attempt, so far as has been discovered, to define underdevelopment. The concept nevertheless is a useful one: it provides a device for mounting a program without consigning it to a strait jacket. Within a particular country the "underdeveloped" concept may also be employed, if it is remembered that underdevelopment is a relative term; that it may be used with reference to other things than economic status (administrative organization and practice, for example), and that a unit or agency which is highly advanced in some respects may be relatively underdeveloped in others. From the many examples of technical aid programs which come readily to mind, it may be concluded that there is no relation between size, resources, or state of advancement of a government (or unit or agency of government) and

<sup>3</sup> Like most middle-ground positions, this view is subject to attack from both right and left. On the one hand, it is so broad as to make generalization hazardous. But on the other, it is so narrow that it excludes some significant varieties of technical assistance. Specifically, it limits attention to assistance rendered by governments (or, at the least, by public or semi-public agencies) to governments. The importance of the work of such private organizations as the American International Association and the International Basic Economy Corporation will, of course, be granted by all. It is not meant by excluding these and like enterprises to deny their significance, but only to bring the subject within manageable limits.

employment or nonemployment of technical assistance.

The sources to which governments in want of technical assistance may turn are many. Within a country, governments themselves will of course prove to be the richest repositories of the facilities and skills which may be channeled into technical aid. In addition, the universities, the many organizations of public officials and agencies, professional associations, private (business) firms, civic organizations—all these are active in rendering aid to government. On the international scene, the United Nations and the specialized agencies, the various regional commissions and the Organization of American states, the International Bank and Monetary Fund, and several national governments are active in the field. The forms which technical assistance may take may be classified under the major headings of information; the general (economic and social) or administrative survey; the installation; aid with personnel, as for example, in staffing or training; and miscellaneous, including such activities as bill and ordinance drafting, demonstration projects, laboratory services, and meetings and conferences. The list makes no pretense to completeness, although the classification suggested would seem to be sufficiently inclusive for most purposes.<sup>4</sup>

There is no census of the technical assistance programs under way at any one time in the United States, but it is obvious that the number is large. As to international technical aid, the United Nations Technical Assistance Board reported that to April 1, 1952, 1,024 experts had been recruited from 61 countries for assistance to some 75 countries and territories requesting aid, and that 1,077 international fellowships had been granted for study in 45 different countries.<sup>5</sup> At about the same time the Department of State reported that, as of May 31, 1952, 911 Americans and more than 9,600 foreign nationals were employed on Point 4

<sup>4</sup> It conforms in general with that employed by the Technical Assistance Board of the United Nations. See *The Expanded Programme of Technical Assistance for Economic Development of Under-Developed Countries* (1951), pp. 7-13.

<sup>5</sup> United Nations Economic and Social Council, *Expanded Programme of Technical Assistance: Fourth Report of the Technical Assistance Board to the Technical Assistance Committee* (1952), Vol. I, pp. 1, 2.

projects in 33 countries. In addition, there were 409 foreign nationals from 31 countries receiving training under Point 4 auspices in the United States.<sup>6</sup> While these listings are not complete, they are sufficient to provide evidence of the sound judgment of those who anticipated that there would be a ready international market for technical assistance.

#### *Implementation: From Plan to Practice*

A PARTICULAR technical assistance program will come to the point, midway in its career, where a report of findings and recommendations for action will be made. Here we approach the crux of the technical aid process, which turns on the conversion of plan into practice. Luther Gulick has identified "translation from purpose to program [as] the crucial step in administration." Herbert Emmerich, in his comment on the Gulick lectures, strongly supports this view, substituting the word *mission* for the word *program* however because "... mission combines the dual concept of the definition of specific objectives which must be carried out to achieve the major general policy objectives and the exact allocation of functions and resources for their successful accomplishment (including the organizational structure)."<sup>7</sup> The point I seek to make here is

<sup>6</sup> Technical Cooperation Administration, Department of State, "Monthly Point 4 Summary as of May 31, 1952" (June 18, 1952, mimeographed).

<sup>7</sup> The statement attributed to Luther Gulick appears in his *Administrative Reflections from World War II* (University of Alabama Press, 1948), p. 78. Herbert Emmerich's extended comment on this volume may be found in 8 *Public Administration Review* 211-18 (Summer, 1948), with the passage quoted appearing at p. 213.

The translation from plan to performance may or may not experience the sequence, implied above, of (a) survey and report and (b) implementation. In some of the more successful technical assistance projects the two stages have been indistinguishable; in some, indeed, there have been no formal reports, and progress has been direct to the goals sought. Thus the United Nations public administration mission to Brazil, whose history is summarized below, short-circuited the report stage and proceeded at once to address the substantive task assigned to it. (In this case, it should be noted, a great deal of preliminary work had been done prior to activation of the mission.) Consider also the reconnaissance survey-and-action procedure described below. Notwithstanding these impressive exceptions, it appears that the normal course of a technical assistance program is that suggested here. Ordinarily one may expect to discover a report of

not identical with that made by Messrs. Gulick and Emmerich, though it draws comfort from their position. Essentially, it is this: that technical assistance is a continuing process which, properly conceived, concludes only when the proposals made by the experts have been incorporated into normal practice by the government receiving assistance.

When may it be said that a recommended action program has been adopted? Who or what is the authority competent to take action, and what kind of action is adequate? The pages of the history of administrative reorganization, to take but one example of technical assistance, are heavy with accounts of notable reports that seemingly made small impact because nothing was done by way of following through. The same pages also tell of legislative enactments and executive promulgations of reorganization measures that had little tangible effect because they were ignored in practice: in such cases the reorganization was a paper rather than a performance one. Some of the more celebrated reorganizations of state administrations have been of this character.

This raises the question, how shall the true effect of a particular assistance program be measured? On the one hand, observed effect may not have resulted from seeming cause, while on the other, effect may follow cause by one week, or by one year, or by ten years. How assess the relationship in the case of a long lag? It may be argued, indeed, that no technical assistance report is without its value, since on the one hand any particular report may make some contribution to the receptive climate without which future progress is difficult or impossible, while on the other almost any report will prove of some use as record. Granting the validity of this reasoning, it is true nevertheless that most technical assistance programs are not to be appraised primarily for the intrinsic value of the resulting report. Normally the most important question remains, did action result along the lines recommended?

Two case studies will be useful here as a means of pointing up the problem of implementation. The first concerns the Commonwealth of Virginia, which has perhaps been

findings, with recommendations, and, as a separate and sometimes incidental consideration, a discussion of the problem of implementation.

more active than any other state in the matter of administrative reorganization. The course of a recent (1946-48) reorganization move will prove instructive. The significant features of the procedure employed there are to be found in (a) strong executive leadership; (b) active popular interest, largely generated by and subsequently harnessed through a bipartisan citizen commission on reorganization; (c) reasonable financial support, which permitted employment by the commission of skilled technicians; and (d) subsequent appointment by the governor of a chief of staff for reorganization together with an advisory committee of nine to follow through on the reorganization act. The last is unusual if not unique. In outlining his purpose in setting up this machinery, Governor Tuck spoke in part as follows:

The objectives of the reorganization cannot be attained through a simple compliance with the statutes that will result in a mere paper reorganization. . . . They can be attained only through a reassignment of duties and spheres of responsibility and authority based on an examination of work loads, position analyses and improved management methods. . . .<sup>8</sup>

Here is very clear recognition of the significance of follow-up in a program of technical assistance. Here moreover is a plan, epitomized in a sequence of specific steps, designed to translate a program into practice.

The second case is drawn from the experience of a United Nations public administration mission which is active even now in Brazil. For some years spokesmen of that country had supported the idea of an institute of public administration, and a series of preliminary steps had been taken looking toward the drafting of concrete plans. These steps came to a head in the fall of 1951 when the United Nations, acting on a request from the Brazilian government, organized a five-man mission which converged on Rio de Janeiro November 1. Its over-all charge was to participate in bring-

ing plans for the proposed school of public administration to final fruition. Ancillary activities included (a) conducting a series of demonstration courses (in which some 65 students representing 15 Latin American countries registered) for a half-year, and (b) taking part in an international seminar whose 15 participants came from 8 American and European countries. That these activities were kept generally in harmony with the major assignment is indicated by the facts that the tentative plans which the mission found on arrival in Rio were revised, elaborated, and solidified, and that they came to culmination with the launching of a national school of public administration on April 15, 1952. It is highly significant that four of the five members of the mission remained as members of the first faculty of the new school.

Among the factors which entered into the success of the mission are these: (1) the ground had been prepared for a school of administration through years of related national experience, through much local discussion, and through considerable parley in international circles as well; (2) associated with the mission as technical adviser was a Brazilian member of the United Nations staff who moved from New York to Rio and gave (and continues to give) the venture substantially his full time and attention; (3) the members of the UN mission were prepared not only to see the school through the planning stage but also to stay on as an advisory group and as active faculty members for the first year; and (4) the whole enterprise enjoyed the confidence and support of important public officials, including the President of the Republic. Clearly this was an unusual combination of favorable circumstances.<sup>9</sup>

In more general terms, it appears that there are factors which in proper combination create an atmosphere conducive to favorable action on technical assistance recommendations. The first of these is relevance: relevance of the request for assistance to the experience of the

<sup>8</sup> This case is summarized from an unpublished manuscript by Anne P. Brydon entitled *Technical Services to Virginia Government*, pp. 23-27. The study was prepared under the auspices of the Bureau of Public Administration of the University of Virginia in 1949. The author's narrative has been amplified by testimony from one who was active in the later stages of the reorganization.

<sup>9</sup> A quite different and much more complicated set of circumstances confronted the UN technical assistance mission to Bolivia. See *Report of the United Nations Mission of Technical Assistance to Bolivia (1951)*, which is an extremely interesting document from the point of view of the administrative aspects of technical assistance.

people, of the study to local needs, of the report to the temper of the public mind. A technical aid report which does not take generous notice of local conditions, capacities, traditions—in short of all those things which John Gaus has called collectively the “ecology” of government—is not likely to command a very wide or enthusiastic audience.

A second general consideration is concerned with timeliness. Half a dozen aspects of this factor come immediately to mind: executive-legislative relations, intra-executive relations, the stability of the government, press and popular support, internal and external pressures, the election calendar, the reputation of the regime for integrity, the place of the country in the family of nations. There is a tide in the affairs of nations as of men, and things which are impossible one day are readily achieved another. So too for local areas and for individual administrative units, where considerations of timeliness (and timing) are of great significance.

Yet a third basic factor is found in the nature and extent of the support accorded the technical assistance program in the receiving unit or agency. The mission or survey team can do much to build up strong support by recognizing the limitations (and the opportunities) of local customs, by maintaining cordial relations with both populace and public personnel, and, most of all, by working closely from the beginning with the officials and employees affected by the program. Local participation is an important key to local receptivity, and to adaptation of the recommendations to local needs as well. In the end, there is of course no substitute for vigorous championship by the executive or other officer requesting assistance in the first place. Support by this officer may not suffice to procure the action sought, for many considerations will weigh in the decisions ultimately made; but lack of such support almost certainly will serve to dispatch the program and all its recommendations, so far at least as hope for early action is concerned.

Assuming a congenial climate, and picking up a technical assistance program at the stage of report and recommendations, what can be done to procure the desired course of action? First, an arrangement may be made by which the technical assistance agency itself assumes responsibility for following through on its

recommendations. Some donor agencies have shifted emphasis in recent years from report to implemented recommendations as the really significant end-product of their work. The principal device by which this shift has been accomplished is the “reconnaissance” survey, which is followed immediately by recommendations for further action and by discussion of and agreement on appropriate next steps. Such a survey usually does not result in a report beyond the letter or memorandum necessary for voicing its recommendations, and sometimes even these are conveyed orally. It is exploratory in character, it is relatively inexpensive, its chief service is diagnostic. Almost all emphasis is placed on following through to its logical conclusion the process set in motion by the reconnaissance survey. Among the active agencies which employ this procedure are the Division of Management and Organization of the U.S. Bureau of the Budget and the Public Administration Service. The United Nations likewise has found the reconnaissance survey with subsequent follow-up a useful device on occasion.<sup>10</sup>

A variation of the reconnaissance survey procedure is found in the “seminar with power to act.” Under this arrangement an outside technician leads a selected team of local administrators in a concerted attack on the problems at hand, thus bringing to bear, along with his general competence, local experience, specialized knowledge, group wisdom, and enlightened self-interest. Conclusions reached by such joint discussion may be expected to be sounder, in terms of local considerations, than those fashioned by wise men from abroad, whether from another country or merely from another county; moreover, their chances of early and effective adoption are markedly greater. Here implementation flows naturally from consensus, with the men reaching the decisions proceeding directly and without external compulsion to carry them into effect.<sup>11</sup>

Occasionally the responsible executive officer will summon help in the task of implementing

<sup>10</sup> See the report of the UN Special Committee on Public Administration Problems, *Standards and Techniques of Public Administration* (1951), p. 37.

<sup>11</sup> James W. Martin described the seminar technique, with persuasive illustrations, in his discussion of this paper at the recent conference of the American Political Science Association.

a technical aid program. This he may do by designating an assistant (or other responsible member of his administration) to assume the duty of seeing that the recommendations do not bog down. Alternatively or additionally, he may appoint a committee to advise in the step-by-step implementation of technical assistance plans. The Governor of Virginia, it will be recalled, combined these two devices into one package through his ingenious office of chief of staff for reorganization and its accompanying citizen-and-staff advisory committee. Still another variation occurs when there is a permanent branch of the government that may be charged with the responsibility of following through on a technical assistance program. Such an agency is the U.S. Bureau of the Budget, whose Division of Management and Organization maintains a continuing interest in federal organization and procedure. All these devices—and as always there are many variations—represent essentially an extension of the executive office.

A useful lateral device for following up on technical assistance proposals is found in the citizen educational committee, which may assume any of several forms. An illustration will serve to indicate its possibilities. Those responsible for the work of the "Hoover Commission" were not content simply with the presentation of a report. Their program included plans for a national Citizens Committee for the Hoover Report, which in turn ramified into a network of state and local committees. A sizable budget was made available to the national committee, which sponsored a countrywide publicity campaign designed to convince the citizen, and incidentally Congress, that the Hoover report was the biggest thing to hit the country since the automobile. The sequence of events may have been wholly unrelated, but the fact is that a large percentage of the recommendations of the Hoover report actually were carried into effect. The presumptive evidence is that the educational campaign contributed to the desired end.

Many types of technical assistance have been made available through grants-in-aid. It is commonplace that the grant-in-aid, far from being a simple contribution, serves a number of incidental but important purposes. Thus on analysis it develops that the specifications, serv-

ices, and inspections which accompany such a grant make of it a significant technical assistance device. The expanded technical assistance program of the United Nations incorporates some basic grant-in-aid principles, and therein lies high promise that recommendations made will be accepted and carried into effect in good faith by receiving governments.

#### *Problems Related to Implementation*

IN A SENSE, of course, everything which concerns technical assistance, however broadly, concerns also the ultimate success of a particular technical assistance program. Thus the "organizational pluralism" (to borrow a phrase from Walter Sharp) which prevails, with its jurisdictional disputes, duplications, tensions, and uncertainties, undoubtedly has adverse effects on the course of this or that program. So also has the inadequate reservoir of trained and experienced people, which results in a particular mission's being less strong than could have been desired. But these and many other considerations like them, while fundamental, are general: they are anterior to the process of implementation, and they affect that process only at second hand. There are problems which have direct and immediate bearing on the business of bringing about action on recommendations. It is to this category that we now turn.

One background consideration which is relevant to the present discussion concerns the whole question of transferability. The nature of the problem may be seen from the query, what kinds of institutions or techniques are exportable? or better, what kinds are importable? The question lends itself to answer much more readily in some fields than in others; in the social sciences it is very complex. There is abundant evidence that a personnel system devised for, say, Michigan will not work equally well in Mississippi, and it is very doubtful whether Boston's budget system would survive transfer to San Francisco—or whether, if it would, San Francisco would survive. Yet within these borders we have a common language, a common heritage, and a sophistication in public administration that is unrivalled in any save two or three nations. How much more complex the problem of transferring administrative institutions or practices to "underdeveloped" countries! There one finds commonly



not only little experience on which to base what we regard as progressive administration, but often not even vocabulary with which to describe some of our most cherished concepts. Some things administrative undoubtedly lend themselves to transfer: ways of going about a job, for example, perhaps even the rudiments of some of our "systems" if modified in terms of local experience and tailored to local needs. Concerning the whole subject of the transferability of institutions and techniques, it must be concluded that we tend to accept as truths propositions that have not been fully tested.

From another point of view, the problem of transfer becomes one of adaptation: techniques are transferable, it may be supposed, if they are not wholly foreign to local (or native) ways of life. Complete acquiescence in the limitations imposed by local customs would of course mean no progress at all; confronted with this alternative, the technical assistance experts might better give up and go home. How far ahead of local practice can the mission afford through its recommendations to place itself? How much of progressive practice will, or *can*, local leadership accept? And once accepted and installed, how advanced a program, and over what area, can be sustained on a long-range basis? H. J. van Mook has spoken tellingly of "an island of progressive practice" in a sea of backward administration, pointing out that on the one hand such an island provides the base for a beacon which shows the way for others who would follow, while on the other it offers an inviting target for attack by those satisfied with things as they are. The obligation, then, is not only to bring in an immediate solution to a pressing problem, but to propose an arrangement that will stand without a crutch in the form of continuing outside aid. It will be recognized at once that this problem is as real for technical aid to state and local governments at home as it is for international technical assistance.

Reference to "continuing outside aid" suggests the relevance of the question, what should be the duration of a technical assistance mission? Premature withdrawal may mean either complete collapse of the program or at best partial implementation; extended residence may result in an artificial atmosphere or in too

great dependence on outside experts. Technical aid in a particular area, whether international or domestic, must be brought to a timely end. The decision which this principle necessitates is one of the most delicate in the whole process of technical assistance.

We come now to examination of a series of problems which are contained somewhat more narrowly within the implementation process. One of the most important of these concerns the first tangible act taken in setting an assistance program under way, the request for aid by the receiving government or agency. Some programs, it is true, originate without invitation, by volunteer action on the part of a donor agency or by other stimulus from outside the government. The great bulk of technical assistance work, however, is undertaken at the invitation or request of responsible government officials. Such an invitation may issue from a variety of motives. The inviting official may have as his goal a calculated reaction on the part either of some division of the government or of the public; he may have knowledge in advance that the invitation will not be accepted, or that funds will not be forthcoming to finance the proposed project. He may have in mind nothing more constructive than reward or punishment—"politics" in the vernacular. The invitation may stem from public pressure, or from a demand that cannot conveniently be denied. Contrariwise, it may find its inspiration in an honest desire to bring skill and experience to bear on a public problem. The temper of the invitation is highly important, for it sets, or may set, the course of the entire program. Good relations throughout are fundamental: they affect the reception of the staff initially, the availability of data subsequently, and the attitude of the officials toward the report in the end. Moreover, they have an important public relations value. They begin with the request for assistance.

Another basic problem arises from almost universal preference for home-grown products and "home-town boys." This preference has a corollary in universal distrust of ways which are strange, and this in turn frequently manifests itself in extreme resentment against "meddling in local affairs by foreigners." The problem is substantially the same whether we speak of Middletown or Maceió, and it may be posed



in the form of a dilemma: on the one hand, local officials may not be technically competent, or they may not even be aware of the existence of a problem; while on the other hand there is almost everywhere resistance to "outside" technicians as meddlers. This dilemma symbolizes one of the most formidable of all the obstacles in the path of improvement of government through technical assistance. It emphasizes anew the imperative need on the part of the technical assistance experts to establish cordial local relations with both public and public servants, and more especially with those affected by the program.

A problem which is significant if not central is found in the question, who is to receive credit for the job done? The public officials principally involved at the requesting end are likely to be willing to forego consideration of this problem in the beginning; but as (or if) the assistance program gathers momentum, as the press begins to take notice, as occasional word is dropped of important things to come, they may begin to think better of their earlier reticence. The day may come, indeed, when they will vie with each other for recognition as progenitor and chief champion of the whole program. Both early reticence and subsequent support are entirely understandable: given a democratic system, under which political survival is a first law, the problem of credit is fundamental.

The form of a technical aid report and its manner of presentation are basic. Many a report has been foredoomed to a short and unspectacular career through simple physical appearance, while few make full use of the knowledge at hand to gain the eye and ear of the prospective customer. The report of the Hoover Commission sets a high standard for effectiveness in presentation. The handicap of drab appearance and dull content is one which a technical aid report normally need not assume.

The role of compromise in technical assistance presents a problem worthy of careful analysis. As regards first the report itself: should the staff be expansive in its recommendations, or should it be satisfied with something less than the whole loaf? The same question is applicable at the stage of debate on adoption: should the responsible officer insist on accept-

ance and implementation of the report in its entirety, thereby endangering the whole program, or should he as may appear necessary compromise for less than the whole, thereby sacrificing the remainder? The answer must be a pragmatic one, for it must allow for taking into account local factors. Here as elsewhere and always where action is sought, what appears ideal must be tempered by consideration of what appears feasible.

This brings us to consideration of the place of politics in a technical assistance program. In a broad sense, and using the term with temperance, a technical aid program involves and is involved in politics throughout its life; and even a restrictive definition would concede an important place to political considerations at the very beginning of such a program and at its very end. The invitation with which a program originates rests normally on a favorable concatenation of political forces, while the business of gaining adoption of the resulting report usually is politics sheer and simple. This is not only inevitable but highly appropriate; for the negotiation of agreement on policy questions, which lies at the center of politics, is also of the essence of democracy. It is clear that considerations of a political nature play an important part in determining the ultimate fate of a technical assistance report, and that account should be taken of these considerations in the development and presentation of the report.

#### *Prospects*

IF THERE was a time not long since when a formal report appeared to be the end sought in the process of technical assistance, that day has passed or is rapidly passing. Emphasis has shifted from plan to effectuation of plan as the goal ultimately sought. A report received and "profoundly laid by," as was a certain memorandum from Secretary of War Stanton to President Lincoln, may prove of some use in days to come, but it will hardly be reckoned so successful as a recommendation accepted and placed forthwith in practice.

The expanding use of technical assistance (particularly among nations), the growing attention to its administrative problems, and, more especially, the increasing emphasis on the implementation phase, all portend fur-

ther development of and greater and greater reliance on official sources of technical aid. The newly awakened interest in international technical assistance may be supposed to stem largely from the activities of great new public agencies, from the technical assistance divisions of the United Nations and the specialized agencies and of the United States government. It is worthy of note that the countries members of the United Nations system enjoy a special technical assistance position by virtue of that membership: they participate in both the planning and the management of technical aid enterprises, and so have proprietary as well as consumer interests in those activities. This fact is of first significance with respect to implementation, which proceeds much more smoothly if there is a favorable climate of opinion from the beginning.

Internally, a somewhat comparable development is found in the growing recognition by many governments of the nature of staff work and the consequent establishment and/or strengthening of staff agencies. The recent growth of organization and methods offices provides an example of this tendency. A 1951 study revealed the existence of such offices in the national governments of some 20 countries.<sup>12</sup> The appearance in this country of an occasional state and even local O & M office, or equivalent, gives interesting promise of things to come. In another but kindred direction the planning movement has gained greatly in recent years, with state planning agencies in particular enjoying increased stature. Locally the university bureaus of public administration play an increasingly important role in the rendering of technical aid. The principal ingredient added by these and similar agencies, in addition to official status, is that of continuity. A permanent or at any rate long-continuing source of technical aid enjoys a great advantage over a one-time, hit-and-run agency, in terms notably of acquaintance before a job begins and confidence during its course.

No disposition appears among students of administration to quarrel with the proposi-

tion that environmental factors are of basic significance in the planned transfer of institutions and practices from one social-political climate to another. There seems to be little place for the doctrinaire in the practice of technical assistance. The question is not whether but how and in what ways is environment important: what are the relevant local factors, and how may proper account be taken of them in drawing plans and providing for their effectuation? In the process of technical assistance there is urgent need for conjunctive effort among the several social sciences, more especially as between public administration, as the action side of the process responsible for implementation, and cultural anthropology. If as is frequently urged the technicways of a people are so important as to be controlling in the manner and extent of transfer of knowledge, then we may expect increasing emphasis on inter-disciplinary collaboration as the most promising key to the problem of environment.

The social scientists thus occupy a position central to the process of implementing a technical assistance program; and among the social scientists, the public administrators in this respect stand first. This is so because they above all others are concerned with making government work. This is why the recently awakened interest of the United Nations in public administration holds so much of promise, why Point 4 emphasis on that area is so significant, why indeed the whole new concern for public administration broadly conceived is so portentous. The field still has and will continue to have its share of craftsmen, whose services are many and useful. But there are also those, both in government and out, who think of administration in broader terms, who approach their appointed tasks with imagination and a feeling for the future. Happily their number grows. These are equipped to practice what Pendleton Herring has called social engineering. They carry our one best hope that government throughout the world will make increasing use of the experience and skills at hand for its employment. It is a truism that our practice lags far behind our knowledge, though not alone in government. The eternal problem is to close or at any rate to narrow the gap. This is preeminently the domain of the emerging art of social engineering.

<sup>12</sup> Arnold Miles, *Central O & M Offices: What They Do and Where They Are* (Brussels: International Institute of Administrative Sciences, 1951). This study was made for the United Nations by the Committee on Administrative Practices of the IIAS.

# The National War College and the Administration of Foreign Affairs

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THE extension of American commitments in world affairs and the parallel growth of participation by the defense departments in the determination of American policy have placed immense burdens upon military and civilian administrators. The National War College, which was established by the Joint Chiefs of Staff in 1946, is one of many innovations relating to the administration of foreign affairs designed to meet this situation. The present article describes some of the ways in which the College is contributing to the better management of problems arising from our responsibilities for world leadership, such as those relating to unification of the armed forces, coordination of policy planning, and development of executive leadership in the government.

The decision of the Joint Chiefs to establish the National War College reflected the feeling within the armed forces and the government generally that formal devices should be provided to facilitate teamwork among the services and between them and civilian agencies. During the war the services had learned the techniques of combined military operations. Military and diplomatic personnel had also worked together, with officers of the armed forces frequently making decisions of political consequence and civilian officials handling problems of concern to the military. Although the results generally were satisfactory, there were difficulties in coordinating planning and operations by the separate services. In planning, wartime practice demonstrated the need for permanent, tight integration of the armed services and civilian agencies in the formulation and execution of national policies at the highest level. In operations, the

separate traditions, procedures, and attitudes of military and civilian officers obstructed close and fully effective working relationships.

Accordingly, the coordination of national policy became a principal concern of such leaders as Henry Stimson, James Forrestal, and Ferdinand Eberstadt, as well as many in military uniform. These individuals directed their attention to the problems of unification of the military services, and their efforts resulted in enactment of the National Security Act of 1947, which provided for unification and established the National Security Council, the National Security Resources Board, and the Central Intelligence Agency. Throughout this period such individuals also recognized the need for well trained and broadly experienced military and civilian administrators. *The Forrestal Diaries*, for example, quote from a letter sent by Admiral William F. Halsey to Congressman Clifton A. Woodrum, chairman of the Committee on Postwar Military Policy, as the war drew to a close:

I have one more point to offer: the need for wise, trained men to minister the *National Policy*.

We need men who understand the causes of war and conflict, who understand the fundamentals of our aims and ideals, who understand the interrelation of international policies, internal politics, trade and finance and the true significance of military power. . . .

We must find and train such men—outstanding civilians who have served their country under arms, and outstanding military men who have studied to understand the civil aspects of government and international relations. If we don't find and train and employ such men in the service of the United States, we will lose our shirts as we

have in the past—and then what avails the sacrifice of life, blood and treasure that we have made?<sup>1</sup>

Similar considerations had led the British government, as a by-product of plans for a single Ministry of Defence, to establish in 1927 the Imperial Defence College, for "the training of a body of officers and civilian officials in the broadest aspects of imperial strategy."<sup>2</sup> Responsible leaders in the United States, like the British before them, linked an educational program common to all services and departments with plans for permanent coordinating machinery. They concluded that while the separate services should continue to train officers in staff work and in the strategy, tactics, and organization of their own services, the interrelated nature of high-level responsibility called for additional training in broader problems of national policy. As early as 1943 the Joint Chiefs of Staff had created the Army and Navy Staff College to train officers for joint operations. At the conclusion of the war they called for studies and recommendations for permanent joint service schools. Subsequently three joint schools were established under the direct supervision of the Joint Chiefs: the National War College, the Industrial College of the Armed Forces, and the Armed Forces Staff College.

The National War College and the Industrial College of the Armed Forces now stand at the top of the pyramid of military educational institutions. The Armed Forces Staff College, the successor of the wartime Army and Navy Staff College, is somewhat below them. The Industrial College is located in Washington adjacent to the National War College and is concerned with the more specialized training of officers and a few civilian officials for duties in the mobilization of the national economy for defense and war. Prior to World War II it was an Army school, although naval personnel also attended, and it was known as the Army Industrial College. The Armed Forces Staff College, at Norfolk, Virginia, provides instruction in planning and executing joint military operations. A fourth

joint school, at a still lower level, is the Armed Forces Information School (formerly the Army Information School). It is operated by the Army under the policy direction of the Secretary of Defense rather than the Joint Chiefs, for instruction of officers and enlisted men of all services in troop information and education and in public information functions.

The National War College should not be confused with the Army War College, whose former home in Washington it now occupies. The Army War College, now located at Carlisle Barracks, Pennsylvania, the Naval War College, at Newport, Rhode Island, and the Air War College, at Maxwell Field, Alabama, are the senior educational institutions of the three separate services. While each of these schools enrolls a few students from the other services and the Department of State, its principal responsibility is for training officers of its own service for duties primarily peculiar to that service. At the present time only a few officers can be spared to attend both a senior service school and the National War College. In the future, after the normal progression of an officer through the various levels of training has been reestablished, it is likely that more of the students of the National War College will have graduated from one of the service war colleges.

#### *Purpose and Organization*

THE purpose of the National War College is to help the nation meet the challenge of providing competent administrative leadership. In keeping with this purpose the Joint Chiefs, when they made the decision to establish the College, invited the Department of State to participate in its operation. Subsequently the invitation was extended to a number of other executive agencies of the government. The declared mission of the National War College is:

1. To prepare selected personnel of the armed forces and other governmental departments for the exercise of joint high level policy, command and staff functions, and for the performance of strategic planning duties in their respective departments.
2. To promote the development of understanding of those agencies of government and those fac-

<sup>1</sup> Walter Millis, ed., *The Forrestal Diaries* (Viking Press, 1951), p. 62.

<sup>2</sup> See T. S. Chegwidden, "The Imperial Defence College," 25 *Public Administration* 38-41 (1947).

tors of power potential which are an essential part of a national war effort.

The command responsibility for the College is shared by the three services on a rotation basis. The commandant, who serves for three years, has been successively a vice admiral of the Navy, a lieutenant general of the Army, and a lieutenant general of the Air Force. He is assisted by three deputies. Each of the other two services is represented by a deputy commandant, usually of the rank of major general or rear admiral, assigned for two years, with one entering upon duty each year. In practice the incoming deputy serves as chief administrative officer for one year before taking over the direction of the academic program during his final year. The Department of State is represented at this level by a deputy for foreign affairs, serving for one or two years. This officer has no command responsibilities, but shares in the over-all planning and supervision of the academic program. This position has been filled by Foreign Service officers ranging in grade from career minister to class two.

The commandant is responsible directly to the Joint Chiefs of Staff. Matters pertaining to the National War College, as well as the other joint schools, are initiated for the Chiefs by a small committee of the Joint Staff, composed of Army, Navy, and Air Force members. Its members are in close touch with the work of the College, attending its sessions now and then and informally discussing its affairs with the commandant and faculty. In the development of the program the commandant also has the advice of a Board of Consultants composed of six prominent civilian educators. The board spends several days in residence each year, examining the curriculum and methods of instruction. At this time they are joined by three senior service members and a representative of the Foreign Service Institute of the Department of State. Individual members of the board visit the College from time to time, frequently appearing as speakers. Their annual report and informal comments receive the careful attention of the commandant and his associates.

The faculty of the College consists of approximately sixteen officers, of the rank of

colonel (Army, Air Force, and Marine Corps) and captain (Navy), and five or six civilians. The officers, with few exceptions, are graduates of the College, and serve from one to three years. For working purposes they are organized in four committees, each with joint service representation. The civilian group is composed of college or university professors, generally of history, political science, or economics, serving during the first semester only, on leave from their regular teaching responsibilities. Almost all of these individuals have had government experience; a few are assigned directly from other government agencies. It has been the practice for one civilian to return for a second year, to provide continuity and experience. The members of the incoming group spend several days in May at the College to become acquainted with their responsibilities and to review the program.

The National War College is blessed with physical plant and surroundings conducive to a relaxed approach to the fulfillment of its mission. Its excellent library, acquired from the Army War College, is well staffed and provides ample facilities for the College program and for research in military affairs. An officers' club on the post is a center for student and faculty social life, and a small golf course, tennis courts, and other recreational facilities are available.

#### *The Class*

THE size and composition of the student body are determined each year by the Joint Chiefs. In practice the enrollment has been 120. Membership in the class of 1952 was as follows: Army 32, Navy 31 (including 6 Marine Corps and 1 Coast Guard officers), Air Force 31, Department of State 19, Central Intelligence Agency 3, Departments of Defense, Treasury, and Commerce, and Mutual Security Administration, 1 each.<sup>3</sup> On the basis of a directive from the Joint Chiefs, each service, acting through a special board or committee which makes nominations to the appropriate personnel office, chooses its own representation. Selection is based upon achievement, special qualities of leadership

<sup>3</sup> The Bureau of the Budget usually has one representative in the class.



for high command and staff duty, and availability. With but few exceptions officers selected hold the rank of colonel or captain (USN). They are usually from 35 years to 48 years of age, with a median of about 43 and an expectation of 12 to 15 years of service before retirement. Although attendance at the College is neither a prerequisite for nor a guarantee of promotion to general or flag rank, it is presumed that the graduates of the school are officers of distinction who will be called upon for heavier responsibilities and thus will achieve higher rank. The promotion record of graduates bears out this presumption. The services look upon attendance at the College as a mark of achievement.

Within each service an annual quota arrangement is employed to secure representation of all branches. The Army group in the class of 1952, for example, included 14 infantry, 9 artillery, 4 armor, and 2 engineer corps officers, and 1 officer each from the transportation, chemical, and signal corps. The median age of the Army group in this class was 44 years; of the Navy group, 46 years; and of the Air Force group, 41 years. The six Marine officers were from 38 to 44 years of age.

The group from the Department of State had a variety of area and specialty experience. It consisted of 11 Foreign Service officers, 9 of class 3 and 2 of class 2, with a median age of 42 years, and 8 departmental officers, 2 at grade GS 14 and 6 at GS 15, with a median age of 41.

#### *The Curriculum*

THE course of study for the 10-month program, extending from August to June, while still following the pattern worked out during the first year, has undergone constant refinement and improvement. It was decided at the outset to provide a uniform program in which all students would participate as a group. The only exception is a course in public speaking, offered during school hours on a voluntary basis at the student's personal expense. A required course in rapid reading was dropped after a trial of several years.

The College year is divided into two semesters, separated by a brief recess over the Christmas holidays, and each semester is divided into courses that run from one to four weeks.

The first semester, for which the civilian faculty is primarily responsible, is devoted to a systematic study of contemporary international and foreign affairs and of American responsibilities and commitments in respect thereto. The second semester, for which the military faculty assumes responsibility, is concerned with the national strategy employed by this country in the accomplishment of its national objectives. These are large assignments for the time available, and coverage perforce is selective.

The first seven weeks of the first semester are devoted to a topical approach designed to provide understanding and methods of analysis for the area courses which follow. The semester opens with a two-week course on basic strategic considerations in the formulation of national policy. It is followed by a one-week course in elementary economics, given by four or five professional teachers of economics, to provide students with a working acquaintance with fundamental concepts of economic theory and practice. The third course, international politics, which continues for two weeks, analyzes the characteristic features of international society, examines the role, sources, and elements of national power, and considers the means available for the restraint and organization of power, including international law, the United Nations and other international organizations, and diplomacy. The last of the topical courses is American government, with particular attention to the constitutional and political framework within which foreign policy is formulated and executed and the influence of these institutional factors upon policy.

The final ten weeks of the first semester are devoted to a series of area courses, commencing with the Soviet Union, swinging through the Western world, and concluding with the under-developed areas of South America and Asia. Here the student is exposed in some detail to the political, economic, and social characteristics of these areas and of the principal countries in each of them, and to the interests and policies of the major powers in respect to these areas and countries. Emphasis is placed upon the nature and scope of American interests and alternative courses of action available to this country. The semester con-



cludes with a brief review of contemporary American policy and the tasks ahead.

The second semester places special emphasis upon military strategy and its relationship to political policy. The factors involved in the development of strategy are considered in the first course (three weeks). It is followed by an examination of present and anticipated weapons and of the related role of science and research (one and a half weeks). Next comes study of the methods and potentialities of psychological and economic warfare (one and a half weeks).

The courses which follow are perhaps most directly related to the mission of the College to train officers for joint high-level policy, command, and staff responsibilities and for strategic planning duties in the separate departments. Following a two-week study of military strategic planning, including the objectives, techniques, procedures, and current status of high-level planning, four weeks are devoted to strategic concepts and joint war plans. In order to equip the student to evaluate the feasibility of strategic plans, a joint emergency war plan is prepared in outline and certain parts are developed in some detail. Next, two weeks are devoted to joint logistical planning and to the influence of logistics upon strategic planning, and four weeks are given to factors in major command planning to acquaint the student with the problems and procedures of planning at the level of theater, fleet, and strategic air commands. At this time the class is divided into three groups and visits are made by air to some of the major United States commands now operating in the Western Hemisphere, Europe, the Mediterranean, and the Far East. The next two weeks are concerned with the activities of various agencies which have a bearing upon national security, such as the Department of Defense, the Bureau of the Budget, the Military Assistance Program, and the FBI, and such miscellaneous topics as manpower mobilization, civil defense, and the armed forces information and education program. In the final three weeks, the class undertakes to prepare an effective national security program for the United States, taking into consideration political, economic, psychological, and military factors, both foreign and domestic.

A series of weekly lectures on current national and international affairs is scheduled during the second semester, and throughout the year there are unscheduled lectures by visiting foreign statesmen, military and diplomatic personages who happen to be in Washington, and other individuals with a pertinent message.

#### *Methods of Instruction*

THE task of the College is to broaden the education of specialists and facilitate their transformation into generalists. The exchange of information and ideas among the students perhaps contributes most to this end. The College uses a number of devices to maximize personal contact among the men, the principal one of which is the committee system. The class is organized into twenty committees of six members each; each committee includes representatives of the three military services and of civilian agencies. Each committee has its own room with desks, reading materials, and files where students spend much of their time. Many assignments are accomplished on a committee basis. Approximately every two weeks committee memberships are rotated, so that in the course of the year each student will have served with almost every one of his classmates, and each will have had the responsibility of a committee chairmanship.

Students have had a wealth of experience in a wide variety of fields in all parts of the world. All day long, and sometimes into the night, in car pools to and from the post, in corridors between sessions, in discussion rooms, and in committee offices, the process of mutual education proceeds. For the most part these officers have been keen observers, and they have reached a stage in their careers where they are searching for the hidden meanings behind the patterns they have seen unfolding. A year at the National War College is an eagerly sought opportunity to break the daily grind of responsibility, to take stock, and to formulate and test propositions and conclusions concerning the position of the United States in world affairs.

In this situation the faculty do not follow a conventional pattern of teaching. Faculty members are also men of experience who share in the process of mutual education, but with

the added responsibility of stimulating and guiding the discussion. They also plan and direct the program, advise on the choice of visiting speakers, select reading materials, and supervise preparation of individual and committee assignments. No member of the faculty lectures to the class more than once or twice.

Much reliance is placed upon lectures by visiting speakers. The usual day commences with a lecture, followed by a question period. For these presentations the best available talent is obtained, including prominent figures in public life, recognized academic specialists, career diplomatic and military officers, Department of State country experts, and a few journalists, business executives, labor leaders, and clergymen. Although the students are expected to complete daily or weekly reading assignments, the separate courses are built around these lectures, and the information and interpretations presented by the speakers most frequently form the jumping off point for subsequent discussions.

Following the morning lecture and question period the class breaks up into five groups of four student committees or twenty-four students each. Under the direction of a faculty moderator, the topic of the day is subjected to an hour and a half of close scrutiny and discussion. In these sessions informality is the keynote; it is aided by a constant supply of hot coffee. Here individual students, drawing upon personal experience, make the greatest contribution to the program, presenting information and developing and refining their own attitudes and interpretations. Friendly debates between men of different convictions are common. One of the many rewards of attendance at the College is to experience the growing sense of orderly, yet relaxed, self-discipline that develops during these coffee hours. From time to time country experts from agencies in Washington are invited to sit in on these sessions, giving the group the benefit of their specialized knowledge, and perhaps themselves taking away a few fresh insights and ideas.

Each semester each student undertakes an individual research project and prepares a written paper. The first semester projects are coordinated with the area courses, and each student presents his conclusions orally to the

entire class and submits to questions as a scheduled part of the program. Some of these presentations equal the quality of the talks by visiting experts. They cover such topics as the political or economic characteristics of a particular country, the foreign policies of a major power, problems of regional development, or case studies in international organization. The second semester individual studies range over a wide variety of subjects, generally in the broad field of national strategy, selected by the students because of personal interest or experience.

In addition to these individual assignments, the students participate as committee members in the preparation of committee solutions to policy and planning problems. These problems approximate actual situations that responsible diplomatic and military officials face in the course of their duties. Proposed solutions are presented to the class or to discussion groups for evaluation and criticism.

In considering instructional methods, reference should also be made to the well equipped and staffed cartographic and visual aids section, which prepares maps, charts, and diagrams for lecture and committee presentations; to motion picture showings; and to occasional short field trips, such as to the United Nations General Assembly in New York.

Throughout the college program American foreign policy is critically studied and a large number of responsible officials engaged in the development of this policy present their views. At no time is there any attempt to lay down an established "line" or interpretation of policy. On the contrary, every effort is made to avoid a "school solution." The conclusions which are developed in coffee hour and committee discussions are the product of the give and take of honest men seeking answers for themselves. The lecture series offers a wide variety of opinions and interpretations, many of them contradictory. On occasion, when it appears that a particular point of view has been crowded out, a speaker representing this position is scheduled on short notice. Strict enforcement of the rule that all lectures are off the record permits speakers to air their views with remarkable candor and frankness, particularly in reply to provocative questions from students. The atmosphere of freedom

and the search for the whole story make it possible for the students to express their personal views without restraint.

*Relationship to Planning and  
Coordination of Policy*

How well is the National War College accomplishing its mission? To judge from the opinions of graduates and students it is succeeding very well, for they are invariably enthusiastic about their experience. Many graduates are performing duties in areas of joint high-level policy, command, and staff functions, and of strategic planning in the separate departments. Since the College is not a specialized training school its graduates may continue with duty appropriate to their careers, including duty at sea or with troops. An increasing number, however, are serving on high-level joint or combined staffs, in key positions in the Pentagon, and in a variety of other positions, many of them overseas, such as at SHAPE.

Does the College training increase the effectiveness with which these individuals perform their duties? Experience indicates that it does. Students have been exposed to a wealth of factual information. More importantly, they have gained a new appreciation of the complexity of the problems with which they deal. Many students enter the College as specialists with outstanding records, but with relatively little experience in broader areas of planning. In the College they gain understanding of the wide range of domestic and external factors that must be considered in the process of formulating policy, and of the relationship between one policy problem and another. With this understanding over-hasty and narrowly based decisions tend to give way to sober and reflective judgment.

Particular attention is devoted to the political, economic, and social implications of military plans and policies. Students come to appreciate something of the national aims and objectives of other nations as well as their own, and acquire some sensitivity to the impact of American action upon the internal affairs of other nations. They learn a good deal about the whole policy process as a series of choices, each contributing to the next in a

continuous stream. Thus, these officers leave the National War College better equipped to engage in planning activities.

Has the College helped the separate military services and other government agencies to work together as an effective, well coordinated team? Although it is difficult to point to tangible results to substantiate the conclusion, the answer is "yes." The program devotes a good deal of attention to the problems and procedures of unification and coordination. Students study the constitutional and political organization of the government and its operating processes. They are addressed by representatives of the various departments and agencies and investigate their functions and organization. Many for the first time learn something of the traditional procedures, idiosyncracies, and special language of the other services. They study joint operations of the past and formulate plans for hypothetical operations in order to appreciate the problems of coordination.

But even more is accomplished by the development of what Lieutenant General Harold Bull, a former commandant, has called "the spirit of unification and coordination," and others have described as "coordination before the act." This comes about through constant exposure to the views of the other fellow in an atmosphere peculiarly conducive to the development of respect and admiration for him as an individual. At the College the students come to know each other as individuals, not as spokesmen for a departmental or service "position." The views of each man are judged as his own, not those of his organization. In this atmosphere restraints on freedom of discussion disappear. Horizons are broadened, prejudices are weakened, and the ability is developed to understand the other man's problems, his characteristic approach to them, and the language he uses to discuss them. Loyalty to one's own organization is not diminished, but it is exercised within a larger framework. A broader set of values, based upon the national interest, is substituted for values determined by the interests of a particular service or agency. The habit of cooperation with representatives of sister services and organizations is fostered. In their assignments graduates of the National War College

with increasing frequency are finding themselves doing business with classmates or other graduates. Over the years much of value should come from the simple fact that a significant number of high-level administrators are acquainted with each other.

A special word should be said about the relationship between military and civilian students, for it is perhaps in this area that the College is doing most to develop cooperative attitudes. Military and civilian personnel agree that they are achieving a new understanding of one another. Frequently in coffee hour discussions one hears an officer express his thanks for an explanation by a classmate from the State Department of State's position on a particular matter, or a similar note of appreciation by a State representative when the military position is explained. There is also much good-natured debate concerning "the military mind" and the proper role of military personnel in policy formulation.

#### *By-Products of the Program*

IN ADDITION to the contributions of the College directly related to its mission, a number of important by-products of its program already are evident. One relates to the improvement of executive leadership in the government. The College does not claim to make leaders. Its students are men who already have demonstrated qualities of leadership. Rather the College seeks to give these men knowledge, skill, and sensitivity that will assist them in exercising leadership more effectively.

The College is also making a small contribution to the advancement of a public career service outside the armed services. Within the services it is part of the process of selecting and training potential general and flag officers. No similar process has been developed on the civilian side of government. Yet the College does contribute toward the development of career executive talent for those few representatives of the nonmilitary agencies selected for attendance each year. Attendance is both a tribute and an opportunity for those who have chosen to make their careers in the public service; it recognizes superior service already rendered and opens the way to advancement and greater responsibilities. The civilian

students at the College take pride in the investment made by the taxpayers of the nation in their education and training. Their sense of obligation to the national interest is thereby materially strengthened.

Another by-product of the National War College is improved civil-military understanding. The professors borrowed each year from colleges and universities across the country contribute to the College their specialized subject-matter knowledge and their skill as teachers; in turn, they gain a stimulating and enriching experience that sends them back to their classrooms better equipped to give their students a realistic understanding of the nature of political processes. Through these faculty members further progress is made in breaking down the barrier which has separated civilian educational institutions from the military services. The many individual academicians who come to the College to lecture and participate in group discussions also carry away a better understanding of the responsibilities and requirements of the military services.

With the future growth of the National War College it may be hoped that still another by-product will materialize. As the highest educational institution devoted to the national security of the United States, the National War College might well become a recognized center for creative, imaginative thought on security problems. Officials caught up by the pressures of day-to-day administration have little opportunity and even less energy to take a detached, critical view of what they are doing and where they are heading, as the experiences even of various policy planning staffs have demonstrated in recent years. The atmosphere of the National War College is conducive to such analysis. At the present time, however, the program is directed to the more immediate needs of students, and there is little emphasis upon systematic study leading to the development of new, original concepts or doctrines of national policy or national security, or to detailed proposals concerning specific security problems.

In 1950 the commandant established a Strategic Research and Analysis Committee, composed of one member each from the Army, Navy, Air Force, and Foreign Service, who

were relieved of other responsibilities and directed to undertake studies of national strategy and related matters. But because of turnover of its membership it has not yet progressed much beyond the organizational stage. In the future its duties might well be extended to include a publications program and the direction of research and study by some of the best talent of the military services, other branches of the government, and the academic world. Its findings might be expected to stimulate the more general studies of the students and ultimately to filter into the stream of policy-making.

*Prototype for a  
National College of Public Administration*

ONE wonders whether the National War College might not serve as a model for a similar institution geared directly to the interests of non-military agencies of the government, just as it, and the British Imperial Defence College, have served as prototypes for the new NATO Defense College in Paris. The needs of the non-military agencies for well trained and broadly experienced career leaders are no less urgent than those of the military services. The achievements of the National War College, particularly in respect to participation by the non-military agencies, indicate that such an institution could make a real contribution to improved management of the public service. It could be expected to provide broader understanding of national aims and objectives and a deeper appreciation of national interests and to contribute to the development of broader horizons and values, improved habits of cooperation, more realistic planning, and better morale. If properly conceived it would strengthen the faith of career administrators in democratic ideals and help them to give service to these ideals.<sup>4</sup>

The creation of a national college of public administration would, of course, present practical difficulties. Consider the question of the curriculum, for example. Although the field of foreign policy and national strategy is vast,

it has a generally accepted scope and organization upon which the program of the National War College has been erected. No single similar field of study would satisfy the requirements of the vast array of non-military agencies of the government that might be expected to support a school of public administration. This situation might be overcome by dividing the program into two parts. The first, offered to students from all participating agencies, might be concerned with the study of broad problems of national policy; the second might consist of a number of separate programs offered concurrently in areas of more specialized interest, such as the management of natural and human resources, fiscal affairs, or personnel administration.

Another possible difficulty might arise in the assignment of personnel for study. Because of the principles of rotation traditional to the armed forces and the Foreign Service, the assignment of officers for a year of advanced training is a relatively simple matter. The other executive agencies have no such system of rotation and reassignment. In respect to the few departmental officers from the Department of State and other agencies now attending the National War College, there has been some difficulty in finding available personnel. No agency wishes to see its superior people depart, even for a year, particularly when replacements are hard to secure and return to the same unit is not guaranteed or expected. Some acceptable equivalent of the reassignment system of the armed services, including transfer among departments, would seem to be appropriate.

*In Conclusion*

IT MAY be said that in its six years of operation the National War College has established itself well and demonstrated its capabilities to fulfill its challenging mission. The provision of the "wise, trained men" called for by Admiral Halsey is a huge task, depending for ultimate achievement upon the whole fabric of our society. Insofar as one institution, given ten months out of the lives of 120 mature military and civilian officials of the government, can make a contribution to this goal, the College already is accomplishing much.

<sup>4</sup>The Administrative Staff College, at Henley-on-Thames, a privately supported institution offering training for administrative positions in British industry and government, accomplishes some of the objectives suggested here.



# Governmental Organization and Public Policy

By MURRAY EDELMAN

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GROUPS seeking to influence public policy often manifest great concern with the administrative organization and with the distribution of functions among government agencies responsible for the policy area in which the groups are active. Among the more striking recent examples of this phenomenon has been the outcry of labor groups about the administrative structure for wage stabilization in the present emergency, including the assignment to the Wage Stabilization Board of dispute settlement functions, representation of labor unions in the offices of the director of defense mobilization and the director of economic stabilization, and the legal relationship of the Board to the director of economic stabilization.

It seems reasonable, a priori, that the nature of the governmental organization to formulate and carry out a regulatory program is related in important ways to the relative influence exercised by the various interests concerned. This paper will suggest a method of analyzing this relationship and will illustrate the method by discussing some hypotheses dealing with the World War II wage stabilization program, which offers an especially dramatic example for analysis. While the hypotheses would appear on the basis of some preliminary study to apply equally well to other regulatory governmental programs, a great deal more analysis will be necessary before wide generalizations can be made with assurance. This paper merely states the hypotheses and cites some evidence for them which is as yet highly inconclusive.

The relationships suggested here are inevitably qualified by many other influences on policy, which may sometimes overshadow them. Whether or not these hypotheses prove on further investigation to be subject to

modification, it is submitted that the method of analysis may in time illuminate some central problems of political inquiry, especially in the area of administrative theory.

The analysis that follows is based upon the assumption that all governmental activity is the resultant of the interplay of group interests.<sup>1</sup> The term "group interest," as used here, is not the same thing as an organized group. Neither the CIO nor the Farm Bureau are "interests"; but there are "interests," for example, in higher wages, stabilization of wages, higher farm prices, curtailment of strikes, and passage of FEPC legislation. Whoever adheres to any of these interests is a part of that group interest no matter to what organization he does or does not belong. There is usually considerable correspondence, of course, between an organization and some particular interests. Thus, virtually all members of the CIO and the AFL are part of the group interest in higher wages; but some nonunion people are part of this interest as well. And in a defense economy many AFL and CIO members are also part of the group interest in economic stabilization, which runs counter to the interest in higher wages. Organization is vitally important, of course, as a technique of interests; but the organized "pressure groups" cut across many interests as that term is used here. A sig-

<sup>1</sup> This thesis was first propounded systematically by Arthur F. Bentley in his *The Process of Government* in 1908 (University of Chicago Press), a work which provided an important stimulus for the recent provocative contributions to this field by David Truman in *The Governmental Process* (Alfred A. Knopf, 1951). Other recent reevaluations of administrative theory less directly related to the present paper but reflecting important critiques of earlier assumptions are to be found in Herbert Simon, *Administrative Behavior* (Macmillan Co., 1947) and Charles S. Hyneman, *Bureaucracy in a Democracy* (Harper and Brothers, 1950).

nificant function of organization is analyzed in connection with the later discussion of "constituencies." For purposes of political analysis, however, the "interest" as here defined appears to be the most useful unit to use—a point it is hoped this paper will illustrate.

In a defense economy, labor finds its customary activities limited by more than the usual number of government controls. Workers' normal interests must to some degree be sacrificed in favor of widely held crisis interests that are important in promoting the national security. Among these crisis interests are maximum production and economic stabilization. Either of them may mean curtailment of the normal labor interest in securing optimum terms of employment, through the strike if necessary.

Most groups, including labor, see the importance of these crisis interests and share in them; but because they usually run directly counter to normal group interests, governmental machinery must be established to maintain an acceptable balance between the crisis interests in maximum production and economic stabilization on the one hand and the normal interests of special groups, including labor, on the other.

#### *Nature of the Organization for Wage Stabilization in World War II*

IN DETERMINING to what degree a given governmental agency or unit will be responsive to particular interests, two sets of activities must be considered. First, there are the interests in the agency's operations, seeking to shape its policies to their ends. What these interests are is determined entirely by the scope of the subject matter over which the agency has jurisdiction. The National War Labor Board in World War II had jurisdiction over dispute settlement and wage stabilization and was accordingly the object of attention of interests in raising wages, stabilizing wages, and settling particular disputes in favor of this faction or that (which often involved wage raising or wage stabilizing). The Office of Economic Stabilization, with wider jurisdiction, was the object of attention of all these interests but also of the interests in raising prices and stabilizing prices and a few others. The Congress and the President, with jurisdiction

over virtually all public policy, were of course the object of attention of all interests in the land and some abroad.

The second set of activities it is necessary to consider are the constituencies of these governmental bodies: the groups which have the power to remove the incumbents or kill the organization if it does not respond to their wishes. These constituencies shape the degree to which a governmental body can be responsive to the various interests which bring pressure upon it. The constituent group, as defined here, is more than an interest of which a governmental body must take account; the constituent group can wield direct sanctions against the organization if it fails to take adequate account of the interests to which the constituent adheres. Administrative agencies, as well as elected officials, have constituencies to whom they must listen and by whom they can sometimes be eliminated.

To review very briefly the constituencies of the governmental bodies which played some part in making World War II wage stabilization policy: the paramount and critical role was assigned to the War Labor Board, whose constituency was primarily the labor and management groups represented on the Board, but also the Office of Economic Stabilization (OES), the Congress, and the President. The Board was so organized that any of these organizations could easily gain access to it and could weaken, strengthen, change, or kill it. Other interests concerned with the Board's functioning were not so fortunately situated. The constituency of the public members of the Board is a subtle question, but these members were also subject to the control of labor and management and did not in any realistic political sense even represent any other "public." Their appointment was subject to the approval of the partisan members in practice if not in law, and it was clear that they could not long serve if they became strongly *persona non grata* to the partisan members. The public members were, however, far more subject to removal and influence by the OES and the President than were the partisan members, and it was primarily through them that these higher executive officials were able to influence the Board and to act as part of its constituency.

The chief constituents of the OES (later incorporated into the Office of War Mobilization and Reconversion) were the President and the Congress. They could weaken or kill the OES; other groups concerned with its functioning could not, except as these groups were effective interests in Congress or the Presidency.

Each member of the Congress has as his constituency the voting residents of a limited geographical area and is therefore in some measure limited in his responsiveness to pressures by the special interests that are strongest in his local constituency.<sup>2</sup> The Presidency, on the other hand, has the entire country as its constituency. The local emphasis in the election of congressmen exaggerates the degree to which groups which are strong in a relatively small number of congressional districts can limit the responsiveness of congressmen to more widespread interests which are overshadowed in their districts by these local groups; and log-rolling spreads the influence of these local groups to other congressmen as well.

The national constituency of the President dilutes such special groups and permits freer expression of widely held, unorganized interests which cannot muster great strength in any one locality—such as a consumer interest in wage and price stabilization. Witness the relative position of Congress and the Presidency on the extension of price controls in 1946 and 1951.<sup>3</sup>

In addition to these governmental bodies which had direct jurisdiction over wage stabilization, certain others had a tangential influence on World War II wage stabilization policy. The OPA was the principal such agency. Exerting pressure upon it were the interests in economic stabilization and the

interests in raising prices and wages; its constituency included the OES, the Congress, and the President. Other tangential agencies were the War Production Board, the War Manpower Commission, and, in lesser degree, almost every other federal agency. In the case of each of these it is possible fairly easily to identify the interests concerned and the constituencies which shaped responsiveness to these interests.

The conceptual model implied in these definitions may now be restated in general terms. Every regulatory activity government undertakes is an effort to solve a problem involving group interests that are adversary in some degree. The solution chosen is a function of (1) the perspective (range of interests) within which the problem is seen (i.e., the difficulties that the interests that appear present) and (2) restrictions on the range of possible solutions imposed by constituencies. To say that governmental activity is a response to, and a part of, the interplay of group interests is to say that the governmental organizational unit must first identify the relevant interests and then take some action designed to remove the tension they are occasioning in the body politic. The decision-making organizational unit must conform in some degree to the perspective of the problem as it is seen from a different vantage point. The arrangement of controls (constituencies) according to perspectives of the controlling agencies is therefore closely related to the nature of the solution. At any given point in time, different organizational units have different constituencies and different interests.

#### *Some Relationships between Interests and Governmental Bodies*

WITH this conceptual background in mind it is possible to infer from key developments in the wage stabilization program some probable relationships between the relative influence of special interests and the character of the governmental organization for formulating and carrying out wage stabilization policy.

*Proposition 1. The larger the number of interests which come to the attention of a single organizational unit, the less influential is any one of them likely to be. This hypothesis is de-*

<sup>2</sup> A full analysis of a congressman's constituency, in this sense, would have to note that it may include individuals or groups who contribute large sums toward his campaign expenses and who may weaken his position by withholding these funds. It may include party leaders or the President because these persons may be able to withhold party support.

<sup>3</sup> The President's constituency is national in the sense that the entire electorate has an opportunity to vote on displacing him from office. He is also subject to the control of the Congress and the Supreme Court, either of which can curtail his functions and powers and are therefore part of the constituency of his office.

duced from that phase of the basic model which postulates that the function of an organizational unit is to resolve conflict among the interests of which it is aware so as to "settle" the issue.

The War Labor Board had jurisdiction over most of the industry and labor in the country. Special boards or panels were established, however, to handle wage stabilization and dispute settlement for a few industries, and there is general agreement among observers and students that these industries (shipbuilding, construction, trucking) were placed in an advantageous position. The industry commissions were generally more flexible on wage stabilization (i.e., more willing to yield to pressure for increases) than the national or regional boards. It should be recalled that in a manpower-tight economy, both management and labor groups were usually eager to secure wage increases. If the question is analyzed in interest terms, the reasons for this greater flexibility of industry commissions are fairly clear. These industry commissions were able to pay undivided heed to the interests of the particular industries over which they had jurisdiction in a way that neither the National Board nor the regional boards could. The commissioners were certain to become fully acquainted with the problems of the industry and of its labor. In effect, the commissioners became an effective part of the industry and labor interests simply because it was their job to know the problems of the industry thoroughly. Probably the most effective way to make a public official act as an interest wishes him to do is to assure by institutional means that he will become thoroughly acquainted with its problems as the adherents of the interest see them.<sup>4</sup>

*Organizational Combination of Disparate Interests.* It is possible to refine Proposition 1 to take account of further distinctions. Thus, interests assigned to the jurisdiction of the same agency are often so clearly disparate that one will be far more seriously weakened by the

competition than the other. The contrast between congressional and administrative policy on price stabilization nicely illustrates this point.

From the perspective of the Office of Price Stabilization each price decision involves all consumers of the product in question, but only one industry or producer. The consumers often include many other industries and the federal government as well as individuals. From the perspective of the individual congressman, however, the stabilization interest is only one among many with which his constituents are concerned and on the basis of which they decide for whom to vote. Moreover, an industrial interest in his district, on which he may depend for campaign contributions and which has come to be identified with the prosperity of his district, looms as far more important in his eyes than it does in the eyes of a price stabilizer concerned with the entire national economy. Because many of his fellow congressmen see the picture in similar terms, he can get his way by supporting their favorite industries in a price stabilization fight in return for support for his own; thus, log-rolling, long recognized as an outgrowth of the way we choose our legislators, further emphasizes the difference between the administrative and the legislative outlook.

Given these structural differences in these organizational units and the consequent differences in effective interests, it is little wonder that the price stabilizer is most often in the news as the chief protestant against the stabilization policies of the Congress whose laws he is supposed to be carrying out. On the many day-to-day decisions with which Congress does not concern itself, however, it is the OPS perspective that is important; and so we get a measure of stabilization as an expression of this particular combination of interests under the OPS.

*Organizational Segmentation of Interests.* It follows as a corollary of Proposition 1 that an interest which must divide its attention among several governmental bodies is at a disadvantage. Clearly, to place an interest under the jurisdiction of several established organizational units is to require it to compete with the other interests already under the jurisdiction of each of the several units.

<sup>4</sup> Cf. Clark Kerr, "The Distribution of Authority and its Relation to Policy," in *Problems and Policies of Dispute Settlement and Wage Stabilization during World War II*, prepared by the U. S. Department of Labor, Bureau of Labor Statistics (Government Printing Office, 1950), especially pp. 307-11.

There have been several examples of organizational segmentation of the stabilization interest in our recent history. In early 1942 an attempt was made through interagency conferences to work out wage stabilization policies for World War II. In July, William H. Davis, chairman of the National War Labor Board, wrote the President that the interagency approach had been ineffective. Each of the agencies involved was primarily concerned with other programs, and was the object of attention of many interests hostile to stabilization, while the stabilization interest was divided among them. No stabilization program was possible until the responsibility was clearly assigned to the WLB.

Perhaps the most striking example of this effect of organization on stabilization policy came after V-J Day. With the end of the War, labor and management groups, the constituencies of the War Labor Board, had little reason to heed a stabilization interest—labor because it wanted higher wages to match the increased cost of living; management because it wanted all controls ended. With the consumer interest divided, wage controls quickly ended. Price controls continued until ended by Congress a year later, however, because the major consumer interest was concentrated on OPA; management groups found themselves correspondingly less potent here and had to turn eventually to Congress, with its local constituencies, to carry the day.

*Proposition 2. An interest able to affect other groups adversely through private action is at an advantage in its competition with rival interests in a governmental unit.* Like the range of interests covered by a single organizational unit, the techniques available to the respective interests covered are important because they are related to the character of the public policy which will "settle" the conflict.

There has been vehement discussion through the entire period of the current defense program of the question whether the dispute settlement function should be combined with wage stabilization—and the same question arose and was battled out in 1942. Industry groups believe today that wage stabilization should stand alone; labor groups strongly advocate that the WSB also have ju-

risdiction over disputes. What difference does it make how these various programs are combined?

The leading cause of disputes in the past year—and a leading cause in World War II—was wages. The interests in most disputes are therefore likely to consist of a group which wishes to raise wages and a group which does not wish to raise wages. These are, of course, exactly the same interests that are concerned with wage stabilization. To deny dispute settlement authority to the Wage Stabilization Board would be to strengthen wage stabilization, just as the effect of ordering the Board to consider disputes is to weaken it. Under Proposition 1 this would be expected if only because it means competition with another interest under the same agency's jurisdiction. Proposition 2 is probably even more significant here, however. For the labor interests in a dispute not only argue their position before the Board; they may threaten to strike. In an emergency period, particularly, this is a potent device for pushing the Board nearer to the policy that solves the problem by granting at least a part of labor's demands, *often at the expense of the previous stabilization policy.*

*Proposition 3. Interests which are not part of the constituency or which make up a relatively small part of it are at a disadvantage.* The difference between the group which has an interest in the work of a governmental unit and the group which is part of its constituency is nicely illustrated by the contrast between the position of the AFL with respect to the NLRB in the prewar years and the position of the CIO with respect to the WLB's predecessor, the National Defense Mediation Board, at the same time. Although the AFL was very unhappy with the NLRB from 1937 on and even urged legislation that would drastically have curbed the Board's discretion, no action in this direction was taken until 1947, when many other interests adhered to this position (by which time, incidentally, the AFL was pretty much in favor of leaving the Board alone). The CIO, on the other hand, was able to kill the National Defense Mediation Board in 1942 immediately after that Board took a



position unacceptable to the CIO—although the CIO, even with the support of the AFL, constituted a minority of the Board's membership. Clearly, the difference in governmental organization in the two cases accounted for the difference in outcome.

More commonly than in any other policy area, direct interest group representation on government agencies is found in government regulation of labor matters. This is essentially a device for making the interest group part of the constituency of the agency—not simply another interest concerned with its operations, but a constituent with power to weaken or kill the agency if it wishes.

The three hypotheses just discussed deal with horizontal governmental relationships. The two that follow deal with vertical relationships. The vertical relationship of governmental agencies is significant, of course, because policy can be revised at a higher level than that of the agency charged with paramount responsibility for carrying out the program. In making policy the War Labor Board had to consider carefully the limitations imposed by its constituency, which included not only labor and management groups, but also higher levels of government. At the same time, however, it could in some degree influence these higher levels. The process is, therefore, highly dynamic.

*Proposition 4. Governmental agencies represent to higher levels of the governmental hierarchy the "accommodated" interests of the groups that bring pressure upon them. Groups so represented enjoy an advantage over interests which must intercede directly on their own behalf with the higher levels of the governmental hierarchy.* When the U. S. set out in 1940 and 1941 to become the arsenal of democracy there was considerable debate in labor and industry circles whether a board to deal with wartime labor problems should be established. Sidney Hillman, for example, first opposed the board idea, favoring *ad hoc* mediation in individual cases. Such mediation implies little influence by nonlabor and nonmanagement interests, including the crisis win-the-war interests, in the settlement of wartime disputes. More important, however, it implies absence

of representation of labor and management interests in the control program.

Experience since those early days has amply demonstrated to labor and industry groups the value to them during crisis periods of an official agency which is influenced chiefly by their interests and which serves as their spokesman at higher governmental levels, for this is the role the War Labor Board performed. At one critical juncture, in April, 1943, the President issued the famous hold-the-line order, which provided in effect that the Board could authorize no further wage adjustments except to correct substandards of living. Interplant inequities and other possible grounds for approval of increases were no longer to be considered. The order came from the President and the OES, largely on the urging of OPA. These agencies were highly susceptible to pressure by the stabilization interest according to the hypotheses of this paper, but were somewhat removed from direct contact with the facts of industrial relations life. At this point, as well as many times during the later history of the WLB and the WSB, the Board served as an effective agent of an "accommodated" labor-management interest to the director of economic stabilization and the President. Speaking for the Board, the public members pointed to the deleterious effects so tight a stabilization policy would have on wartime industrial relations; and they succeeded in securing a clarifying directive one month later which restored authority to the Board to consider interplant inequities under the so-called bracket formula.

Another example of the value to special interests of a governmental agency which serves as their spokesman appears in the history of wage stabilization in the railroad industry. Both in World War II and in July, 1951, railroad labor, railroad management, and public officials long associated with the industry successfully urged the desirability of a special panel, independent of the Board, to regulate wages and disputes in this industry. Such a panel placed the industry in a more advantageous position because it did not have to compete with other interests for the attention of its regulatory body. More importantly, it gave the railroads an official spokesman that could intercede with the director of economic

stabilization and the President on virtually equal terms with the War Labor Board. When in World War II the Board successfully urged Economic Stabilization Director Vinson to deny certain increases approved by the Railway Labor Panel, the interests concerned were able to carry their case to higher levels, including congressmen, and Vinson eventually had to reverse his decision.

The role of the public members in this process is worth considering briefly. Because of their close association with the problems of the partisan interests on their respective boards, commissions, or panels, the public members became representatives of these partisan interests at higher governmental levels so far as labor and management accommodated their interests to each other; and on voluntary increase petitions the labor and management interests were usually identical. To say that the public members performed this function is in no way intended as a derogatory observation, for it was important that high policy-making levels be kept as fully informed as possible about the significant problems of the interests affected by the wage stabilization program. This was the principal function of the public members in the agency's relations with higher governmental bodies rather than the representation of any other "public." The public members may, of course, have been more sensitive than the partisan members to the stabilization interest, or at least to the possibility the Office of Economic Stabilization would overrule the Board if this interest were too flagrantly flouted.

The organizational unit in question will argue for the solution which it sees will settle the case before any higher organizational unit (constituency) which may review the decision. The higher unit, because of its different (usually broader) jurisdiction, may be aware of interests not adequately considered by the solution proposed at the lower level; and, for the reasons discussed under Proposition 1, it may be far less sensitive to some or all the interests involved in the original accommodation.

*Proposition 5. Fairly rigid separation of a subordinate agency from its superior agencies gives the interests represented by the subordi-*

*nate agency a relatively stronger position.* The assumption here is that rigid separation involves attention by a different set of interests; and that close functional coordination or co-operation subjects the subordinate unit more strongly to the influence of the interests represented by its superior unit.

On several occasions, notably in the West coast aircraft and meat packing cases, the public members of the Board discussed the cases with the director of economic stabilization in advance of their disposition by the Board. Such activity, if continued or extended, might easily have made the public members more aware of the stabilization interest and correspondingly less sensitive to the interests of the partisan members. The partisan members evidently recognized this possibility at the time and objected strenuously to such advance discussion of cases with higher governmental levels. It seems clear that rigid separation of a subordinate agency from its superior agencies gives the interests represented by the subordinate agency a relatively stronger position. Advance discussion in effect meant that the labor-management interests had to compete on closer to equal terms with the other interests seeking to bring pressure upon the director of economic stabilization and meant also that the director did not need to justify his position formally if he could persuade the representatives of the WLB to yield in informal advance discussions.

#### *Implications for Administrative Theory*

**I**F THE approach to political analysis suggested here is valid, at least two long accepted maxims of administrative theory call for reexamination.<sup>5</sup> First, the dichotomy between legislation and administration as traditionally conceived becomes unrealistic and misleading. Whether the old distinction is expressed in terms of the difference between skeletal policies and details, end and means, values and facts, or making policy and carrying it out, it is clear that there is no significant correspondence between these contrasts on the

<sup>5</sup> In recent years others, utilizing different approaches from that suggested in the present paper, have also perceived inadequacies in these maxims. See especially Herbert Simon, *Administrative Behavior*.

one hand and the difference between legislative activity and administrative activity on the other. Both legislatures and administrative agencies make broad policies and narrow ones, draw upon values and find facts. In one act Congress withholds a salary from a specific individual in the Conciliation Service and in another it turns over the whole wartime economic stabilization program, with the authority virtually to allocate the national product among the various economic interests, to administrative agencies.

As for "carrying out" policy, it can in most cases be translated into one of the other activities listed above. Even enforcement in the form of physical arrest is not an exception, although it is only occasionally done by legislatures. Enforcement involves the making of policy, often important new policy, as when a southern police chief imposes severe corporal punishment or death on a Negro as the penalty for stealing a tire, or being accused of it. In any case, the important distinction is not expressed in any of the terms traditionally employed, but rather in terms of differences in the interest configurations and constituencies

of the respective governmental organizations.

Second, choice among alternative policies becomes a more important criterion for describing and evaluating administrative activity than the traditional test of economy and efficiency. If the Goodnow view of administration is accepted, the ratio between input and output, effort and results, is the important issue because goals are assumed to be given by a legislative body and immutable so far as the administrative agency is concerned. If they are highly mutable, however, the analyst of administrative activity must concern himself with the question of how administrative structure should be designed so as to promote the "best" policy choice, as well as with efficiency in carrying it out. "Best," under the assumptions of this paper, is related to group purpose. The answer must always be stated in terms of the strategy of some group interest, and will be different for adherents of different interests. Except as an attempt to identify some group with the entire public to gain added support for its interests, the term "public interest" has no meaning. Economy and efficiency remains only as a secondary criterion.

#### Box Score of Government Jargon

Like all newcomers to official Washington, Hodgins [Eric Hodgins, a member of the President's Materials Policy Commission and editor-in-chief of its recently published 5-volume report] had difficulty adjusting himself to the ropes and the jargon. Being a writer and an editor (and, you may recall, the creator of the celebrated "Mr. Blandings") he became utterly fascinated by the jargon, and finally started keeping a box score of the favorite words of government analysts. After months of red penciling such cocoons of thought as "integrate," "criteria," "feasible," "implement" (as a verb), "periphery," and "posture" he one day composed a "directive" of his own, demanding signed compliance from the staff. This was it:

1. All aspects, prior to being integrated into the measures adopted, should evaluate the relevant criteria.
2. Alternatively, their scope may be pinpointed to specific cases, *provided* that definitive projections are incurred as regards the feasible potentialities.
3. In the segregation of data, the implementation of contractual specifics must in all cases be relevant.
4. Wherever possible, appraisals of utilizations should facilitate the broad perspective *before* projection.

—From "Fortune's Wheel," 46 *Fortune* 3 (August, 1952).

# Reviews of Books and Documents

## Ethics and Politics

By H. C. Nixon, Vanderbilt University

MORALITY IN AMERICAN POLITICS, by George A. Graham. Random House, 1952. Pp. 337. \$3.50.

MORALITY AND ADMINISTRATION IN DEMOCRATIC GOVERNMENT, by Paul H. Appleby. Louisiana State University Press, 1952. Pp. 261. \$4.00.

ETHICS FOR POLICY DECISIONS; THE ART OF ASKING DELIBERATIVE QUESTIONS, by Wayne A. R. Leys. Prentice-Hall, 1952. Pp. 428. \$6.35.

ETHICAL STANDARDS IN AMERICAN PUBLIC LIFE, Clarence N. Callender and James C. Charlesworth, editors. Annals of the American Academy of Political and Social Science, vol. 280, March, 1952. Pp. 157.

ETHICAL STANDARDS IN GOVERNMENT. Report of a Subcommittee of the Committee on Labor and Public Welfare, United States Senate. United States Government Printing Office, 1951. Pp. 89.

THE mid-century "mess in Washington" and elsewhere not only provided a provocative subject for official investigation and campaign discussion but pointed up a sheaf of writings on the ethical standards, practices, and shortcomings of American government and politics today. These writings collectively reflect something of the spirit of the muckraking crusade of Lincoln Steffens' time and likewise exemplify a composite learning for which another Harvard president might suggest a five-foot bookshelf. They range in coverage from the shades of Socrates and Plato to the sins of Truman appointees, combining academic teachings with knowledge of practical politics. They incidentally strengthen attention to the Hoover Commission reports and other investigative studies concerned with improving

the role and performance of public officers. They explore public conduct in all levels and branches of government, national and state, urban and rural. They offer remedies for our civic ills. Their total constructive contribution to the science and process of government may outlast the memory of public scandals aired in the party battles of 1952.

### I

LINCOLN STEFFENS and Charles A. Beard in their early days would have found much to approve in George A. Graham's *Morality in American Politics*. They might, however, have changed the first title word to *Immorality* to harmonize with the author's emphasis on the "colossal" aspects of the ethical shortcomings in public life and on the terrific pressure of big economic groups and forces on government and government officials. Graham also hews close to the Louis Brandeis thesis of inherent evils in organized and impersonalized bigness, whether public or private.

Professor Graham, like other modern explorers, goes beyond the philosophy of the pioneer muckrakers in putting direct graft and dishonesty in a context of "honest graft" and in putting that context in a still larger context of social conditions, technological change, and governmental lag. In this ramifying interpretation he draws heavily upon the testimony and reports of official hearings, quoting freely from Senators Douglas, Fulbright, Humphrey, and Kefauver, sometimes without evaluating off-the-cuff remarks. In laying context upon context, he surveys a rather wide territory and seems to emerge with a big black map without recognition of lights and shadows. A critic might suggest, for instance, that his discussion of the ethics of taxation make a sharper differentiation between the

big pressure boys, who unduly shape tax policy to suit their business, and independent investors, including institutional trustees, who may adjust their business practices to the incidence of tax policy. There is a difference, in the ethics of power, between adjusting sails to the wind and adjusting the wind to the sails.

*Morality in American Politics* lays down a broad catalogue of factors which tend to encourage unethical practices in American government. Important points of this arraignment have been indicated. Another is the popular disrespect or distaste for politics and politicians and the low interest in voting. There is also our great liking for private business or professional careers, with a tendency to assume that the nation's economy is an automatic and amoral process which functions best without interference by government, even minimum government being a necessary evil. Then there is our great development of specialization and special groups, with the consequent inadequate comprehension of the general interest or concern for that interest.

None should disparage the Graham proposals for improving ethical standards in government, which partly have the support of the Senate subcommittee on the subject. Deserving of true respect is his sermon-like last chapter with its call for integrity in the minds of individual men and for a positive public loyalty transcending considerations of private gain. But the Graham diagnosis of pressure interests would still be too foreboding were not these interests, even the large ones, sufficiently diverse to permit a skilful statesman sometimes to combine or interbalance them to serve the public weal.

## II

TOUCHING some of the same ground covered by Professor Graham, Dean Paul H. Appleby shows a different perspective and emphasis in *Morality and Administration in Democratic Government*. This work, consisting of a series of lectures given at Louisiana State University, is in essence a reasoned and ripened statement of moral faith in democratic administration. Although recognizing the scandals and shortcomings of recent years, Appleby notes pointedly that governmental standards and practices are nevertheless ethi-

cally higher than in former times and likewise higher than standards and practices in business. The sheep in public life outnumber the goats by far in his arithmetic.

His approach is primarily positive. He, in fact, shows less concern with the immorality and venality in public life than for the development in government of a larger professional morality of intelligent devotion to the public interest. His theme is the ethics of providing good government in a democratic framework rather than the ethics of officials deservedly staying out of jail. He sees clear advantages in modern governments or governmental units which are large enough for systematic organization, regularized procedures, and competent personnel with automatic devices for the detection of illegal or irregular activities.

Yet he is no dogmatist. He recognizes that the personalized administration of small-scale government in sparse rural regions may meet neighborhood demands in a flexible and informal manner without being necessarily corrupt. He pragmatically recognizes the role of patronage and politics in democratic government, even in good administration; but, with an eye on the Bureau of Internal Revenue, he says, "one of the sources of trouble has been in keeping open to patronage the wrong kind of jobs." At the same time he guards against blind faith in merit systems *per se*, calling for the development of criteria for the proper selection of appointees and for avoiding misfits, with citizen understanding and support of the criteria.

The nine chapters or lectures of *Morality and Administration* start with "Private and Public Organizations" and conclude with "The Administrative Pattern." They constitute an excellent job of condensing the cream from the exhaustive studies, investigations, and interpretations of public administration of recent years. They suggest that "good administration" is the executive counterpart of legislative and judicial "due process." Good administration in modern democracy flows from a dynamic organization with a hierarchical distribution of power and responsibility. Such administration exercises power with restraint, seldom going the limit. It is responsible and responsive to all branches of govern-



ment as well as to the public, constantly balancing the special interest against a larger general interest. Such is the Appleby picture as based on both learning and experience. The pessimists will have to write their own dissenting opinions.

### III

WAYNE A. R. LEYS, in *Ethics for Policy Decisions*, undertakes an intellectual shuttle tour between philosophical systems of ethics and the problems of contemporary policy-making. He pictures Abraham Lincoln, for example, as making decisions in conformity with Aristotle's golden mean. Gandhi experimented with truth in the spirit of a Stoic plus. Some of our Western champions of conservation, opposing exploitation by special interests, might be classed as exponents of the moral idealism of Plato and Kant. The dialectics of Hegel and Marx flowered respectively into ardent nationalism and the class struggle.

Dean Leys accords substantial space and sympathy to "Pragmatism or Instrumentalism" as "the only major philosophy that was 'made in America.'" He notes that pragmatism from Harvard and Wisconsin directly influenced pioneer architects of TVA policy, which pointed toward beneficial consequences rather than to principles of abstract justice. He makes extensive use of John Dewey's pragmatic instrumentalism in connection with problem-solving in action situations, and he applies tests of philosophical utilitarianism to various policy decisions of World War II, including those of Yalta and on the partition of Germany. His range also includes decisions of business and community groups.

This study of Leys comes close to being a working manual on "The Art of Deliberative Questions," to quote the words of the subtitle. It is his thesis "that the organizing ideas of the philosophers will complement the fact-hugging insights of the practitioners, if the philosophical standards are expressed as questions," and the thesis is intended for organizational leaders in various fields, including government, business, education, and religion. No one system of ethics is adequate, for a cumulative synthesis of the teachings of all is necessary. Supreme wisdom seems to consist of determining the means through consideration

of all the ends, of finding the right answers to the right questions on the right subjects; and the weighing of alternatives must be made in advance of action. The thesis looks good, but it is a big order, both for learning and for application in practical politics, both for brain-trusters and for voters. It should be required reading for politicians and reformers as an antidote to easy answers.

### IV

THE Annals volume on *Ethical Standards in American Public Life* is a symposium of nineteen articles. The first is by Senator Estes Kefauver, who concludes with an affirmative answer after discussing "Past and Present Standards of Public Ethics in America: Are We Improving?" In the last article Senator Paul Douglas gives a summary of the report and findings of the Senate subcommittee on ethical standards in government, of which he was chairman. Between the Kefauver and Douglas pieces are treatises on the role and responsibilities of voters, parties, government executives, legislators, judges, business, labor, press, radio, television, churches, and colleges.

Writing on the relationship of civic conscience to the political community, Charles P. Taft observes that "failures of integrity in the political headquarters in Washington reflect any and all failures of integrity right down the party line to the precinct." He and Kefauver show similar views on the subject. Frederick L. Schuman discusses "International Ideals and the National Interest" with a distinct emphasis on "interest" as opposed to legalistic-moralistic "ideals." Through quotations he rallies George F. Kennan and Hans J. Morgenthau for support, with a slight assist from the late Charles A. Beard. He differentiates international policy from intranational or individual ethics and calls for a return to *Realpolitik* and an abandonment of international "crusades" of the virtuous against the wicked. No other point of view on the world scene is offered in the volume. Barent Ten Eyck touches the subject obliquely in discussing the connection between ethics and patriotism.

These Annals articles are quite naturally varied and timely. They are less consistently academic than the larger works here reviewed. But, with allowance for repetition, they pro-

vide worthy comment on the complexities of ethics in our dynamic public life.

## V

THE Douglas subcommittee report, *Ethical Standards in Government*, is based on hearings which were more expository and less revealing or sensational than those of parallel investigations headed by Kefauver, Fulbright, and others. Professor Graham, author of the first book bracketed in this review, served as consultant to the subcommittee and aided in preparing the report. With ex-professors like Douglas, Humphrey, and Morse on the subcommittee, a learned approach to practical problems is to be expected. County politicians may need the dictionary for the statement, "disclosure is like an antibiotic which can deal with ethical sicknesses in the field of public affairs."

The report surveys problems and suggests remedies selected from more than a hundred proposals advanced in the hearings. There is a serious problem of prior employment in business or industry with resulting private influences which the government official may not withstand. Then there is the equally serious matter of subsequent employment by private interests of officials on account of the officials' inside contact with government. There are other types of economic involvement, to which neither legislators nor administrators are immune. Political involvements, including commitments as to patronage, affect governmental efficiency and ethics, which are not entirely separate categories. The excessive need and use of private funds in campaigns and in pressure drives on government stand out prominently in this investigation as well as in the Graham study.

The report calls for the establishment by joint resolution of Congress of a commission on ethics in government. Such a commission should investigate moral standards in government and in outside activities directly affect-

ing the conduct of government. Other recommendations of the subcommittee include general or tentative proposals to expand the Administrative Procedure Act and corrupt practices legislation, to require disclosure of income and additional financial information by members of Congress and important federal administrators, to explore and improve the regulation of the conflict of interest of officials and of persons leaving government service, to consider the advisability of setting up a court of ethics for complaints by injured persons against administrative abuses, and to provide congressional encouragement for creating a national citizens' organization to work for better government. The report moves against sin on a basis of exploration and reconnaissance. The coordinated grand attack is yet to come.

## VI

THESE works on ethics in government raise more questions than they answer. Perhaps they represent the beginning, rather than the ending, of a great movement for diagnosing and remedying ills or defects in our body politic, whether minor skin troubles or serious liver complaints. Over several decades we in the United States have developed and applied a real science of administration in government as well as in private enterprise. Our public administration is good administration except at points where it is restricted or distorted by unwise or unethical politics, politics which is complicated by public apathy and special-interest energy. The doctors of ethics will discover, if they need to, that our body politic is not in danger of collapse, but, being both democratic and dynamic, it needs correction of an unbalanced and unsystematic diet. The corrective process cannot be instantaneous, since the chief problem before the house is to find ways, not to arrest diseases of decay, but to control shifting pains of growth without stunting the growth.

## The Dynamics of Research Administration

By Raymond L. Randall, Federal Civil Defense Administration

**MANAGEMENT CONTROLS IN INDUSTRIAL RESEARCH ORGANIZATIONS**, by Robert N. Anthony and John S. Day. Division of Research, Graduate School of Business Administration, Harvard University, 1952. Pp. 537. \$6.75.

**SELECTED OPERATING DATA FOR INDUSTRIAL RESEARCH LABORATORIES**, by Robert N. Anthony. Division of Research, Harvard Business School, 1951. Pp. 41.

**SOME ADMINISTRATIVE PROBLEMS IN GOVERNMENTAL RESEARCH**, by Clark D. Ahlberg and John C. Honey. Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University, 1951. Pp. 115.

**ATTITUDES OF SCIENTISTS AND ENGINEERS ABOUT THEIR GOVERNMENT EMPLOYMENT**. Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University, 1950. Pp. 223.

ONE of the most interesting facets of the social evolution of the past several decades has been the tremendous growth of scientific research and development. The scientist, once dependent upon limited personal or foundation resources, has moved into expensively equipped modern laboratories provided with the sincere blessings of a public fully appreciative of his past services.

To the scientist, however, this change comes as a mixed blessing. Like the small boy finding a purse in the middle of the road, he looks suspiciously on the string running into the bushes. Prosperity for the scientist has set in motion certain forces which change his climate of operations. In small organizations, where face-to-face contacts are the rule, administrative complications are rare. In large organizations, they emerge with such an impact that the scientist is likely to protest their stifling influence on freedom of scientific inquiry. He is at best puzzled by the number and types of administrative techniques designed to control large-scale research.

Without fanfare or publicity, the Office of Naval Research has been quietly probing the alleged effects of bigness on scientific research

and development. What is the truth of the scientists' claim that they must literally sell their professional souls to acquire the equipment and facilities necessary for research in the atomic age?

Taking a cue from the scientists themselves, these studies have been subjected to every possible device to guarantee their objectivity. They do not play upon emotions. They are as carefully controlled and evaluated as any study may be which deals with the vagaries of human behavior. The scientist and the administrator both are indebted to the Office of Naval Research and to the competent guidance of Dr. Ralph Hogan whose foresight made these studies possible; they were produced under ONR contracts in which the Navy contributed considerable financial and professional assistance. They do not argue for any particular system of administration; rather, they support the possibility of several different forms of control determined by local requirements.

### I

**Management Controls in Industrial Research Organizations** is a book which can be read with great profit both by the scientist and by the administrator. To the scientist it is a reminder that there is a practical limit to the resources which may be turned over to research and development. The determination of these limits is an administrative matter. To the administrator, it is a warning not to try to fit every scientific program into a single mold of administration.

*Management Controls* is an attempt to describe the point at which bigness in industry forces the formalization of controls and to make an evaluation of the effectiveness of such devices. It is based upon a carefully organized analysis of laboratories of different sizes. Twelve hundred and seventy companies each employing more than 15 persons constituted the "universe" the survey covered. Most of these companies were engaged in research in chemistry or physics so that the survey is properly concerned with administration of

physical science research. In addition to the survey results, the author has incorporated an analysis of some 2,000 books and articles bearing on the subject of research administration and interviews with some 200 persons engaged in administration of research programs.

The book is organized somewhat like a press dispatch, moving from the general to the specific. Part I, which states the problem, and the summaries at the end of each chapter, provide the substance of the book for the busy reader interested in a quick digest. Part II is a description of actions which determine the difference in management controls for research as against production, finance, etc. Part III, the technical heart of the report, discusses in great detail the control techniques used in research organizations. Part IV discusses control techniques in four research organizations of different sizes.

Controls are defined as strategic and tactical. Strategic controls are concerned with the determination of policy and program objectives. They are the mechanisms which set the frame of reference within which the program operates. By and large, they provide very generous limits. Their primary purpose appears to be to keep the scientist in incidental contact with the fiscal and economic facts of life. Strategic controls are determined by values which are relatively foreign to the expertise of the scientific profession and are concerned largely with the over-all economic health and well-being of the company on a long-range basis.

Tactical controls are concerned with the "doing" part of the program. They are the scheduling, accounting, reporting, and staffing activities. It is in these areas that the naive administrative technician is most likely to lock horns with the requirements of science. An inspired accountant, for example, insisting upon the "principles" of sound accounting practice is likely to be laughed out of scientific court. Controls, says the author, must be accepted by the scientist if they are to be effective. Otherwise, one gets paper compliance only and runs the risk of incurring the ill will of the scientists in the organization. In carrying out the scientific program within the frame of reference specified by strategic con-

siderations, the scientist is, and must be, the boss. The scientist, more than anyone else, must be shown that given administrative techniques will help him get on with his work or he is likely to look upon them as perpetuating an already heavy overhead.

Face-to-face contacts are the rule in most small organizations. In large organizations, such informal controls do not permit adequate supervision of the program and more formalization becomes necessary. These controls then serve the function of radar, sweeping the program objectives on a day-to-day basis to advise the administrator whether or not they are on the target. They are, however, primarily communication channels, and not "controls" in the strictest sense of the word.

Dr. Anthony feels that tactical controls may serve a valuable function quite often overlooked by the individual scientist. They are important devices for keeping people in large organized groups from stepping on each other's toes, for setting priorities on what is to be done, for letting each scientist know what his duties and responsibilities are, and for keeping everyone informed as to what the organization as a whole is doing. He observes that "the principal purposes of control devices used in connection with the conduct of the technical program is to increase the effectiveness with which the research workers' time is utilized, rather than to reduce the cost per man hour per project or per anything else." (p. 46)

Beyond this, the most important function served by control devices is psychological. The mere act of writing something down and presenting it for approval acts as a brake on badly conceived or over-expensive proposals.

Again, then, the book is recommended both to the scientist and to the administrator—to the scientist for the protection that it affords against the depredations of the administrator who insists upon his particular panacea; to the administrator for the lessons in humility that it teaches; to both for the insight that politically responsible people demand something more than anarchy and something less than regimentation in research administration. The key to proper administration lies in the dynamics of the research situation

rather than in any body of administrative precedents or principles.

The second study listed above is the preliminary report upon which *Management Controls in Industrial Research Organizations* was based. It has limited value to the general reader inasmuch as it is encompassed in the larger report. It may, however, have some considerable value to the student of report writing who may wish to investigate the construction of this study from a technical viewpoint.

## II

AHLBERG and Honey address themselves to the real gargantua of scientific research—the government laboratory. This report discusses many of the problems covered by Dr. Anthony and is an excellent complement to his study. Dr. Anthony makes some chilling references to the fact that there may be more control in democratic than in totalitarian economies. If the cold war turns upon scientific research to the large extent that many feel that it does, we should hasten to Ahlberg and Honey to learn what they have discovered about this question.

A common denominator in government and industry is the felt need to experiment with forms of administration. Neither governmental nor industrial research is apparently in any immediate danger of succumbing to an "ideal" organizational plan.

Ahlberg and Honey secured their data through interviews with one hundred and fifty people at all echelons in scientific administration. Their report organizes the information they gleaned under the headings of (1) organization for research, (2) programming for research, (3) the execution of research, (4) appraisal and evaluation of research, and (5) staff and auxiliary services for research.

Governmental research, they observe, must meet performance standards phrased largely in terms of democratic values. Such values, expressed through individuals and political processes, are a source of much concern to the professional scientist. End users of government research—the public, the executive agencies, or individual congressmen—exert a tremendous influence over the government research programs through the appropriation processes.

These influences frequently drive the program in the direction of producing immediately useful items of "hardware" whereas the professional scientist believes that the public interest can best be served by concentrating upon fundamental research. The programming of governmental research thus means a continuing compromise between these conflicting ideals.

Nor are all of the difficulties encountered at the stratospheric level of political policy. Sparks fly at the workbench because of the necessity of having several different kinds of people representing several different sets of values operate a research program within the framework of public policy. A research director, for example, may come into open conflict with his personnel director because the personnel director has the responsibility of enforcing certain phases of the "merit system" prescribed by law with which the research director may have little sympathy.

The authors devote a great deal of discussion to the relationships between laboratories and parent bodies within the executive branch. One finds a variety of mechanisms designed to control policy and programs at the departmental level. The Agricultural Research Administration, the Research and Development Command of the Air Force, and the Research and Development Board of the Department of Defense, among others, provide interesting patterns of research administration.

In discussing practices and problems at the laboratory level, the Syracuse study provides more of a basis for direct comparison between governmental and industrial systems. Ahlberg and Honey open this chapter with a philosophic discussion of the problem of bigness in research administration. They have done an excellent job on one of the most difficult concepts in this field. Bigness itself is not, apparently, an enemy of freedom of inquiry. Processes, people, and organizational arrangements for exploiting any given complex of men, money, and materials are the real arbiters of research freedom and effectiveness.

If the administrator must rely upon the dynamics of the research situation rather than the principles of administration to provide proper administrative forms, how can he



analyze such dynamics to provide proper guide lines?

A suggestion is contained in the study on the attitudes of government scientists and engineers. Here one finds much testimony to support Dr. Anthony's point about controls in democracy's laboratories. However, as the time reference is short and the material is perishable, it is recommended that the reader consider the report as demonstrating a technique of analysis rather than as confirming or denying any particular point of view about government administration. Using this study as a model, a well-designed survey may be made to identify cultural norms within an organization so that administrative forms may be geared to capture a majority sentiment. This, in the atmosphere of freedom of scientific research, can be invaluable. Controls must come from the workers themselves as a form of group discipline rather than from the front office as formalized dogma, if research is to be maximally effective.

The "attitude" study is a very competent presentation of the opinions of a select sample of government scientists at a given point in time. Six hundred and ninety-five scientists and engineers who left government laboratories during 1948 were asked to fill in a questionnaire as to their reasons for leaving. Three hundred and thirty-five usable replies were received and analyzed to provide the basis for this report. The findings generally are not complimentary to government administration. The administrator may feel piqued at the results but he will be denying his capacity to administer if he fails to consider them.

Again, the most important determinant of the success of controls is their acceptance by the scientist. Research administration is suffering from growing pains, but much common understanding may be reached by the scientist and the administrator if they will both throw their guns on the table and negotiate on the basis of the four reports here reviewed.

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#### Science and the Community

The men of science have met this year at Edinburgh under the presidency of Sir David Brewster. He opened the proceedings on Wednesday week by an admirable discourse, which requires only to be read to be generally admired. . . . He proposes to take science into the pay of the State, as is done in France, and so provide by regulations for the advancement of knowledge. . . . On such a question we cannot concede that scientific men are the most impartial or the most correct judges. It is, indeed, generally, if tacitly, assumed that individuals of a particular class or calling—farmers, bankers, shipowners, etc.—because they necessarily know their own business better than other men, know also what legislation is most appropriate for it. The assumption might be correct if the action of the State, when evoked, could be limited to the business to which the law nominally applies. But this is impossible; and the interests of all classes are so linked in one with another that every law, though called a Corn-law, a Bank Regulating Act, or a Factory Act, affects, in some way or another, the whole community. . . . Because laws and regulations affect interests beyond their nominal boundaries, the particular class whose objects they are intended to serve are perhaps the very last class which should be consulted. . . . Agriculturists, in demanding or supporting a corn-law, see only the increased price they anticipate for their produce; and philosophers, in demanding the patronage and protection of the State, think chiefly of the advancement and glory of science, which they presume will be the consequence.

—Excerpt from *The Economist* (London), August 10, 1850, reprinted in its issue of August 12, 1950.

# Contemporary Topics

Compiled by Public Administration Clearing House

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## Homework for the New President

Although the President elected in November will not take office until January 20, it appears that he will have no lack of materials on which to "bone up" before entering upon his new duties. There are a number of major studies in progress with reporting dates set for the end of this year or early 1953. Some of the studies likely to command the new president's attention are described below.

1. *Report of the President's Commission on the Health Needs of the Nation.* This fifteen-member commission, generally referred to as the Magnuson Commission, was established by Executive order December 29, 1951. The order directed the commission to inquire into and study such subjects as the current and prospective supply of medical personnel; adequacy of local public health units; current research activities in the field of health; adequacy of private and public programs for financing medical care; and extent of federal, state, and local government services in the health field.

The commission has held extensive hearings and panel discussions throughout the country. Their report, to include recommendations for governmental action, either legislative or administrative, is scheduled for publication early in January.

2. *Recommendations for Consolidation of Loyalty, Security, and Suitability Programs.* The National Security Council was asked by President Truman on July 14, 1951, to investigate the Government's Employee Security Program and make recommendations to him for desirable changes. This study was made by the Interdepartmental Committee on Internal Security in collaboration with the Civil Service Commission and a report was completed on April 29, 1952.

In transmitting its report to the National Security Council, the ICIS called attention to

the confused situation resulting from the existence within the government of three general programs dealing with the denial of employment and the suspension and separation of government employees; i.e., the programs relating to loyalty, security, and suitability under civil service regulations.

On August 8, 1952, President Truman wrote to Chairman Ramspeck of the Civil Service Commission, reviewing these facts and directing the commission to take the necessary steps to provide a plan for combining the three programs into one at the earliest practicable date. Since then, staff members of the commission have been working with representatives of the departments and agencies to develop tentative recommendations for review by the three members of the commission. It is anticipated that an approved plan will be ready for presentation early in 1953.

3. *Review of Immigration and Naturalization Laws.* Early in September, President Truman appointed a special seven-member commission to review this country's immigration and naturalization laws with emphasis on how they affect the role of the United States in world affairs. In a statement accompanying the order setting up the commission, President Truman indicated his dissatisfaction with the McCarran-Walter Immigration and Naturalization Act which was passed over his veto by the last session of the Congress.

The commission was directed to give particular consideration to (a) the requirements and administration of our immigration laws with respect to the admission, naturalization, and denaturalization of aliens, and their exclusion and deportation; (b) the admission of immigrants into this country in the light of our present and prospective economic and social conditions and of other pertinent considerations; (c) the effect of our immigration laws, and their administration, including the

national origin quota system, on the conduct of the foreign policies of the United States, and the need for authority to meet emergency conditions such as the present over-population of parts of western Europe and the serious refugee and escapee problems in such areas. The commission was requested to submit its report by January 1, 1953.

4. *Survey of United States Trade Policies.* President Truman has asked the Public Advisory Board for Mutual Security to make a study of the foreign trade policies of the United States, "particularly as they affect this country's efforts under the Mutual Security Program to achieve economic strength and solvency among the free nations."

The PAB is a twelve-member board, composed of representatives of agriculture, business, education, and labor, appointed with the advice and consent of the Senate. The Director for Mutual Security, Averell Harriman, is ex officio chairman of the board, but for the purposes of this special study the board has, at Mr. Harriman's suggestion, appointed as acting chairman Daniel W. Bell, president of the American Security and Trust Company, who was formerly Under Secretary of the Treasury, acting director of the budget, and Special Ambassador to the Philippines in 1950, as chief of the mission which produced the Bell Report, which recommended necessary administrative steps for restoring the Philippine monetary and economic system.

The board was asked to examine our tariff policy, with special reference to the expiration of the Reciprocal Trade Agreements Act in 1953; import restrictions, including quotas and customs procedures; agricultural policies affecting foreign trade; maritime laws and regulations concerning carriage of American goods; what to do about the problems of domestic producers who may be injured by certain types of foreign commerce; and the role of international agencies in the trade field.

5. *Federal Manpower Policy Recommendations.* The Senate Subcommittee on Federal Manpower Policies (the Purvis Committee) is conducting an investigation of the personnel needs and practices of the various governmental departments and agencies with special reference to the defense emergency. The subcommittee has issued three reports to date—an

interim report outlining the intended scope of their study and summarizing their preliminary findings, published last March; a report on supervisory practices; and a report on incentive award plans. Legislation to implement the recommendations made in the supervisory and incentive awards reports was introduced at the last session of Congress but was not acted upon.

6. *Report on Monetary Policy.* The Patman Subcommittee on General Credit Control and Debt Management was appointed by Senator Joseph C. O'Mahoney, chairman of the Joint Committee on the Economic Report, early in April, 1951. Somewhat more than a year earlier, a previous subcommittee, under the chairmanship of Senator Paul Douglas, had submitted a report dealing with fiscal and monetary policy. Later, the invasion of South Korea and the resultant increase in defense spending raised new questions about the possible use of monetary measures to combat inflation. Against this background, the Patman Subcommittee was set up to study and make recommendations concerning (1) the appropriate policies, and particularly the appropriate monetary policies, which should be used in promoting economic stability, and (2) the appropriate governmental machinery for implementing these policies.

The final report of the subcommittee (S. Doc. 163), based on a two-volume *Compendium* of information secured from questionnaires sent to the heads of the principal government agencies concerned and to many persons outside of government and on subsequent committee hearings, was issued on June 26, 1952. Some of the recommendations contained in the report require legislative action and the committee staff is preparing tentative drafts of the necessary proposals to be ready for the new Congress and the incoming President. Another recommendation—for the establishment by Executive order of a consultative and advisory council on fiscal and monetary policy within the government—awaits action by the incoming President.

#### Hoover Committee Program Ended

The Citizens' Committee for the Hoover Report terminated its nationwide operations

early in July and some 3,000 state, county, and local committees also suspended operations in accordance with decisions to avoid involvement in this year's political campaigns. The Citizens' Committee was formed in April, 1949, to promote adoption of the recommendations of the Hoover Commission for reorganization of the executive branch of the federal government.

The committee announced that with the closing of the 82d Congress approximately 70 per cent of the 300-odd recommendations of the Hoover Commission had been put into effect.

#### **New Reduction-In-Force Development**

When budget cuts and other legislative limitations required the Mutual Security Agency to undertake a reduction in force recently, the agency took advantage of a provision of the Mutual Security Act which gives the director authority to make layoffs "at his discretion" to do some experimenting.

First of all, RIF notices were sent to all employees with below standard performance records. All of these employees were let out, regardless of status, seniority, or veterans' preference.

The remainder of the required reduction was accomplished through the use of "retention registers" compiled according to Civil Service rules with respect to the weight accorded status, seniority, veterans' preference, and performance ratings. Contrary to Civil Service procedure, however, the registers were set up by major organizational units rather than on an agency-wide basis.

Operating officials were then asked to designate jobs to be abolished, and the retention registers were used to identify the employees to be laid off. Exceptions were permitted provided the interested operating official could convince a five-man review board that an employee he wanted passed over was superior on a man-to-man basis to a colleague with more retention points.

The review board, which passed on the whole reduction-in-force schedule and heard all appeals by operating officials or affected employees, was composed of the deputy for administration, the general counsel, the comptroller, and two major division chiefs.

Members of the staff think it is too soon to make an accurate evaluation of the experimental program. The limitation of "bumping" rights to major organization units lessens the disruptive effects of a reduction in force throughout the agency but has the disadvantage of sometimes forcing the dismissal of extremely able employees in cases where the competitive group is very small or where the activity with which they are associated is abolished entirely.

The MSA program is being watched with interest by other agencies of the government and by the Senate's Federal Manpower Policies Subcommittee which, in a report published last March, sharply criticized the existing reduction-in-force procedures as wasteful and excessively complicated.

#### **The Citizens' Advice Bureau in England**

*The London Economist* for August 30, 1952, describes a new, semi-official agency of government—the Citizens' Advice Bureau—which originated as a wartime measure but has continued into peacetime in response to popular demand.

At the outbreak of the war a voluntary body, the National Council of Social Service, obtained funds from the Ministry of Health to finance the establishment of one thousand of these bureaus around the country to serve as information centers for the public on all of the complex regulations concerning evacuation, rationing, and the draft. By the end of the war, the variety of problems being referred to the bureaus had multiplied and when central government funds were withdrawn local charities and local authorities voted the funds needed to keep them in business.

They are generally small offices, staffed by two or three people, many of them voluntary workers. They depend on their own central headquarters for organization and advice, as well as for a comprehensive information service produced by a group of professional men—also largely volunteers—which includes a digest not only of statutory regulations and announcements of public bodies, but also of useful departmental circulars and other unpublished information.

The government departments have wel-

comed the continuance of the citizens' bureaus and have turned to them when large new programs were being introduced, not only for help in interpretation to the public but also for reports on unanticipated difficulties.

#### **Recommended Housing Reorganization for Chicago**

A single department of redevelopment and housing, directly responsible to the Mayor and the City Council, has been recommended to replace the agencies now responsible for slum clearance, public housing, and redevelopment programs in Chicago. The recommendation is contained in a report by Public Administration Service to the City Council's committee on public housing, based on a study of the administrative organization for housing and redevelopment made at the request of the committee.

The agencies which the study suggests be merged into one city department are: the Chicago Housing Authority, a municipal corporation charged with the construction and management of low-rent public housing; the Chicago Land Clearance Commission, a municipal corporation responsible for the redevelopment of most types of blighted areas; the Chicago Dwellings Association, a non-profit corporation organized to build medium rental housing; the Office of Housing and Redevelopment Coordinator, an extension of the Mayor's office created to coordinate the efforts of local housing and redevelopment agencies; and the Bureau of Housing Inspection of the city's Department of Buildings, which inspects existing housing for conformance with established use, safety, and sanitation standards.

The study notes that most large cities have two separate departments for public housing and for their slum clearance and redevelopment programs, but argues for the single department on the grounds that the administrator of such an agency—fully familiar with all of the sometimes conflicting programs in this field—could arrive at value judgments which would result, in the long run, in better over-all planning and a better allocation of the city's total resources for clearance, housing, and conservation.

#### **Supplementary Budget in San Antonio**

The City Manager of San Antonio, Texas, recently presented the City Council with two expenditure programs for the coming fiscal year—a general budget carrying forward the present level of service, and a supplementary budget outlining additional expenditures needed if the city is to provide adequate services.

San Antonio is just completing its first year under a council-manager government and the dual budget proposal in effect gave the Council and the community a chance to cast a vote of confidence—or otherwise—on the leadership of the new City Manager.

As a first step in preparing the two documents, departments were allocated a lump-sum amount from present tax sources and asked to present a budget for their departments meeting basic needs within that sum. At the same time they were asked to present a supplemental budget of items they thought necessary to do an adequate job. These requests were reviewed and finally brought together as an over-all program by the City Manager and then sent to the Council with two budgets and two appropriation ordinances.

During the month preceding the adoption of the budget, department heads were brought before formal meetings of the Council to discuss their needs over and above the basic budget. The City Manager appeared on radio and television programs to explain the items in the supplemental budget and to point out that responsibility for the final decision rested with the City Council.

Both budget documents were referred by the Council to a 40-member citizens' committee for advice on whether the supplementary budget should be adopted and also for suggestions as to the source of the necessary additional revenue. The committee recommended a four-mill increase in property taxes and adoption of the supplementary budget. The Council later adopted both the general and the supplementary budgets by separate votes.

The City Manager who prepared and presented this program is C. A. Harrell, a past president of the International City Managers' Association and formerly Manager in Portsmouth, Ohio; Binghamton and Schenectady, New York; and Norfolk, Virginia.



### Model Personnel Ordinance

The Civil Service Assembly of the United States and Canada has issued a special report, *A Personnel Ordinance for Small Council-Manager Cities*, which outlines the necessary legal framework and sets standards for the development and continuing administration of a personnel program under council-manager government.

The draft ordinance establishes a merit system administered by a personnel director and provides for basic elements of recruitment, appointment, promotion, position-classification and pay plans, training, separations and review, and records. Public representation is provided through an advisory personnel board.

The personnel board has no administrative duties. Its chief functions are to advise the personnel director on all phases of the personnel program. A dismissed employee who asks for a hearing may be ordered reinstated by the personnel board if the board finds the dismissal was made for political, religious, or racial reasons. Otherwise the board's findings are advisory only.

Personnel rules to supplement the ordinance would be developed by the personnel director, through consultation with the advisory board, and formally adopted by the city council.

The ordinance provides considerable flexibility to meet the operating problems of smaller cities. Where a full-time personnel director is not justified, the city manager or his administrative assistant may assume the duties of the personnel director. A promotional examination may be waived if the personnel director finds that there are not enough qualified persons to justify the expense of preparing and administering the examination. An employee who resigns in good standing may be placed on a reemployment list without formal examination procedures.

Annotations keyed to sections of the ordinance analyze various ways of covering controversial questions.

### Separations Study

A recently completed study of turnover among employees under the Georgia State

Merit System contradicts the popular opinion that merit system status is a passport to permanent employment.

The study, which was made by the University of Georgia, was based on the personnel records of 2,283 employees separated from the state merit system over an 18-month period. Of this group, 172 were dismissed for misconduct or unsatisfactory work; 36 because they were not qualified for the work; and 29 as a result of reductions in force.

A high correlation was found between ability and satisfactory performance ratings and length of service; of the 1,044 employees for whom ratings were available, two-thirds of those leaving state employment were in the lower two-thirds of the rating scale.

### Municipal Financing for Industrial Buildings

Both the legality and the wisdom of municipal financing to provide tax-exempt quarters to attract industry have been attacked recently.

In Florida, the Supreme Court ruled against a proposal by the city of North Miami to float a \$350,000 revenue bond issue to construct buildings for 20-year lease to industrial corporations which were left "homeless" as a result of the reactivation of a nearby naval air base.

In an opinion which may have far-reaching ramifications, the Florida court pointed out that "every new business, manufacturing plant or industrial plant which may be established in a municipality will be of some benefit to the municipality. A new super market, a new department store, a new meat market, a steel mill, a crate manufacturing plant, a pulp mill or other establishments . . . may be of material benefit to the growth, progress, development and prosperity of a municipality. But these considerations do not make the acquisition of land and the erection of buildings for such purposes a municipal purpose."

Currently, Alabama, Tennessee, Kentucky, and Illinois allow their cities to sell revenue bonds for the purpose of building industrial plants. Mississippi, which initiated the scheme of cities financing industrial buildings, permits its municipalities to back their bonds with general obligation revenue.

Since these industrial buildings are municipally owned they are tax-exempt, and it is therefore possible to effect a very favorable lease arrangement for any industry coming into the community. The subsidy is justified on the grounds that it provides employment for persons within the community.

A different view was expressed at the annual conference of the Municipal Finance Officers Association in Boston last June. A resolution adopted by the conference recommended that municipalities should avoid issuance of bonds for financing the construction of industrial plants and other facilities that would be leased to private individuals or firms. The resolution stated that the use of public credit for private ventures was undesirable because: (1) it can adversely influence the position and traditional immunity from taxation of the income from municipal obligations; (2) the position of sovereignty as between local, state, and federal governments can be affected adversely; and (3) the practice causes local governments to issue obligations for purposes not usually regarded as regular governmental functions.

An editorial on the same subject in the monthly newsletter of the American Society of Planning Officials points out that a low level of public service frequently exists along with this sort of tax exemption, resulting in increased unit production costs which offset the original advantage to the industry.

### **Zoning to Protect Rural Areas**

Many local governments are finding it necessary to enact rural zoning ordinances to protect unincorporated areas against certain undesirable aspects of uncontrolled movement from adjacent urban centers.

The need for rural zoning became apparent as businesses and manufacturing plants, along with city dwellers, began pushing their way out of corporate limits to new locations. World War II and postwar expansions accelerated this trend, with new impetus added by defense production since Korean hostilities began in 1950. In many instances, these urban fringes now extend as much as thirty to fifty miles beyond city limits. As a result, rural areas near cities are developing patchwork pat-

terns of residential "dormitory" subdivisions, business districts, and factory sites. Speculative land values, high taxes, and special assessments are hard to avoid.

The rural community can protect itself and guide its growth through zoning ordinances which establish a system of local controls over land use, size of lots and tracts, set-back lines, building dimensions, and population density.

Thirty-eight states permit zoning in all or part of their unincorporated areas, and rural zoning ordinances have already been adopted in 173 counties in 23 states.

In California, 26 of the 58 counties have adopted zoning ordinances. Suburban-type districts, with agricultural zones added, characterize the California ordinances.

Wisconsin, on the other hand, provides zoning for agricultural, forestry, and recreational purposes. A pioneer in rural zoning legislation, Wisconsin leads the states in number of counties having rural-zoning ordinances, with 37 of its 71 counties zoned. Illinois, Nebraska, and Virginia have ordinances in effect in 10 or more of their counties.

### **Comparative Taxation Studies at Harvard**

Ways to improve tax systems will be sought in a new international program of research and training undertaken by the Harvard Law School in cooperation with the Fiscal Division of the United Nations. Emphasis will be placed on underdeveloped countries and the promotion of international trade and investment. A Ford Foundation grant of \$200,000 has facilitated the initiation of this program, which will be directed by Professor Stanley S. Surrey. Mr. Surrey has been chief reporter for the Income Tax Project of the American Law Institute, a member of the U. S. Tax Mission to Japan, and special counsel to the congressional subcommittee on internal revenue administration.

The Harvard program will undertake comparative studies of national tax laws and administration as these bear on critical economic problems throughout the world. It will try to identify the tax laws and administrative techniques best suited to the needs of different types of national economies and to develop ways of improving antiquated, inequitable

tax systems. The work will be coordinated with the Law School's program of international legal studies and with that of the Fiscal Division of the UN, which has a special section on international tax problems. The Secretary-General of the UN has been authorized by ECOSOC to enlist tax specialists to provide information on tax systems in the countries studied. Further cooperation will come from tax economists at the Harvard Graduate Schools of Business Administration and Public Administration.

In addition to research, the new program will provide special training for tax administrators and lawyers from countries seeking to improve their tax systems. Some of the trainees will come to Harvard under grants of the UN Technical Assistance Program. Trainees can add to their knowledge of ways to handle tax problems and at the same time can aid the Harvard staff in understanding the special needs of their countries.

#### **Training for Underdeveloped Areas**

New courses are being offered this year by the Graduate Division of Public Service at New York University which are specially tailored for both American and foreign students interested in preparing for technical assistance positions.

Key courses in the program include administrative problems in underdeveloped areas, comparative public administration, regional studies, and economic planning. In addition, students may specialize in correctional administration, labor relations and social security, financial administration, public relations, personnel administration, or housing. The curriculum includes optional courses in world affairs, educational administration, engineering, international administration, public health, business administration, and other fields of study.

Students enrolled in the program will visit American installations and agencies in order to gain a practical perspective of the role of industry, labor, and government in the development of economic and social planning.

Guest speakers from international agencies, foreign embassies, and American governmental and nongovernmental organizations

will correlate the material for specific underdeveloped areas. The courses, field trips, and conferences will focus upon the particular problems of public administration faced by underdeveloped areas, both colonial and self-governing. Special attention will be given to the specific needs and proposed solutions in administrative organization and management, personnel practices, fiscal policies, public health activities, law enforcement, and related functions in selected nations and areas in Africa and South America.

#### **Modernizing Local Government on the Gold Coast**

A Local Government Training School in Accra on the Gold Coast of Africa is preparing native students to fill positions in the public service which have been opened to them as a result of the recent constitutional reform in their country.

Previously, local government, with limited powers, was established in the traditional "native authority," but real power was vested in the district commissioner, almost invariably an Englishman employed by the central government and not subject to local control. Following the recommendation of the Coussey Committee on Constitutional Reform in 1949, the district commissioners were replaced by government agents with limited powers and the "native authorities" are being replaced as rapidly as possible by some 275 new local government authorities, two-thirds of whose membership is elective. Local government will now be administered by the new authorities, each of which will require at least one clerk and one treasurer as full-time employees.

There is a serious shortage of Africans qualified to fill such posts immediately. Moreover, qualified Africans tend to prefer central rather than local government employment. To meet this need, the Ministry of Local Government opened the Local Government Training School at Accra in November, 1951, with twenty-six students, many of them on leave from the staffs of existing "native authorities." Their main texts were the newly drafted local government ordinance, the election regulations, and the draft state councils ordinances which were issued during the course of train-

ing. The course, lasting twelve weeks, was devoted about one-half to local government, one-fifth to finance, and one-fifth to general subjects.

Besides the officer-in-charge, three instructors, drawn from the public service, from teaching, and from work with an urban council, give full time to the school. Students are divided into groups of five or six, drawn from varying parts of the country and with different backgrounds in experience and training. Field trips, tutorial sessions, and other activities are arranged for these groups as units. A student government system, including committees responsible for meals, library, sports, and entertainment, has been established to give students first-hand experience with organized activities. Several graduates of the first group received scholarships for further training in the United Kingdom; others returned directly to local government employment. The school's third group, starting their course in August, 1952, was three times as large as the initial group.

#### **Regional Technical Assistance Projects**

The United Nations Technical Assistance Administration is experimenting with regional projects which cut across several countries and which are sponsored in some cases by as many as five of the specialized UN agencies.

By bringing nationals of adjoining countries together, an exchange of information is facilitated which enables them to benefit from each other's experiences, and the total administrative, financial, economic, and social expertness available in the various specialized agencies can be brought to bear on specific problems as they are identified.

Since the inception of the expanded program of technical assistance, several regional "training centers," varying in length from one week to several months, have been held throughout Asia, the Near and Middle East, Latin America, and Europe. A number of these centers have offered training in agricultural, health, and labor statistics. The FAO and the International Bank, cooperating with the UN and the respective regional UN economic committees, sponsored an intensive three-month Asian Training Institute on the economic appraisal of development projects.

Similar training centers were established later for Latin America and for the Mediterranean region. The proceedings of the first of these centers have been published in full as *Formulation and Economic Appraisal of Development Projects*, UN Sales No. 1951.II.B.4, 2 volumes.

In the field of public administration, the special courses for young public officials and the seminar on auxiliary and staff services which preceded the formal opening of the Brazilian School of Public Administration in Rio de Janeiro last February are an outstanding example of successful regional programming.

#### **International Conferences Concerned with Local Administration**

Several recent and forthcoming conferences have considered or will consider public administration questions, with particular attention to local and municipal problems. In September, 1952, 200 members of the International Political Science Association met at The Hague. The second of the four conference agenda items was "local self-government as a basis for democracy." This meeting followed on the second conference (Oxford, March, 1952) of the Political Studies Association of the United Kingdom which discussed, among other items, a paper on the "bases for the comparative study of local government."

Also in September of this year, the International Federation for Housing and Town Planning held its 21st Congress in Lisbon. Its four agenda items were urban land policy, housing in tropical climates, long-term reconstruction, and the relation between dwelling type and plan and layout of the residential quarter. As documentation for its discussions of the first item, the Congress used the UN's recent major report, *Current Information on Urban Land Policy* (Document ST/SCA/9).

In the autumn of 1953 the Indian Ministry of Works, Housing and Supply will hold a housing exhibition to demonstrate improved methods of using indigenous construction materials, to demonstrate modern machinery and techniques adaptable to the Asian building industry, and to illustrate the economic and social aspects of housing problems and pro-

grams. A number of official and nongovernmental international agencies have been invited to participate in an international seminar to be held jointly with the exhibition. The International Federation for Housing and Town Planning proposes to hold a regional conference in conjunction with the exhibition.

The International Union of Local Authorities has been cooperating with the UN's Fiscal Division in developing a questionnaire on municipal finance which is designed to bring together comparative information from a number of countries on such subjects as the sources of municipal revenues, objects of expenditure, accounting procedures, and reliance on central grants. The draft questionnaire is to be reviewed by several national

municipal federations, and it is expected that their comments will be analyzed and presented to the IULA's next International Congress in Vienna, June 14-20, 1953.

Another conference devoted entirely to municipal affairs will be the fourth meeting of the Inter-American Municipal Organization, to be held in Montevideo in February, 1953. The Institute of Inter-American Affairs of the Department of State has assigned Earl Bradsher, a member of its staff, to work with the secretariat of the Inter-American Municipal Organization from September until the close of the conference. Mr. Bradsher visited Havana and the major cities on the west coast of South America en route to Montevideo where he will concentrate his work until the conference takes place.







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